



Lukhanji Municipality
**BUDGET STRATEGY AND
EXPENDITURE FRAMEWORK**

FOR

2012/13 – 2014/15

TABLED MARCH 28, 2012

Lukhanji Tabled Draft Budget

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2. Mayoral Budget Speech

To be presented with the FINAL budget presented to council for approval.

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3. Budget Related Resolutions

1. Council resolves that the draft annual budget of the municipality for the financial year 2012/13 and indicative for the two projected outer years 2013/14 and 2014/15 be noted as set-out in the following tables:

- 1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) **Table A2.**
- 1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) **Table A3.**
- 1.3. Budgeted Financial Performance (revenue and expenditure by source) **Table A4.**
- 1.4. Budgeted Capital Expenditure by vote, standard classification and funding **Table A5.**
- 1.5. Budgeted Financial Position **Table A6.**
- 1.6. Budgeted Cash Flows **Table A7.**
- 1.7. Cash Backed Reserves/accumulated surplus Reconciliation **Table A8.**
- 1.8. Asset Management **Table A9.**
- 1.9. Basic Service Delivery **Table A10.**
2. Council resolves that property rates and any other municipal taxes reflected in **appendix A** are imposed for the budget year.
2. Electricity tariffs be imposed at 13.5% approved by Nersa for bulk purchases with effect 1 July 2012.
3. Council resolves that tariffs and charges reflected in **appendix A** are approved for the budget year.
 - 3.1 Council resolves that the Electricity tariffs for non-indigent consumers be approved with 11% with effect 1 July 2012.
 - 3.2 Council resolves that the monthly electricity tariffs for registered indigents for the financial year be approved as follows:

First 50 Kw	Free
In excess of 51Kw	Increase of 11%
4. Council resolves that the measurable performance objectives for revenue from each source reflected in **table 10** are approved for the budget year.
5. Council resolves that the measurable performance objectives for each vote reflected in **section 17** are approved for the budget year 2012/13.
6. Council resolves to adopt the amended Integrated Development Plan as submitted.

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7. That the **5%** provided for salary increases for employees is maintained.
8. That indigent income levels are set at the following:

Destitute indigent	R 1160
Indigent	R 2320
9. Contract workers and Overtime be fully analyzed and recommendation be included in the final budget document.

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The Budget

4 Executive Summary

The Municipal Finance Management Act (MFMA) and the related Circulars that have been distributed by the National Treasury require that the Mayor table a three year medium term budget strategy and expenditure framework to the Lukhanji Municipal Council by the end of March for the financial year beginning July 1,2012 and ending June 30,2013.

The tabled budget is to be taken out to the public for consultation and then with all revisions be brought back to the entire municipal council for approval before the beginning of the new financial year as required in the MFMA. This final budget to be brought back to council will incorporate any of the submissions and changes that are deemed required by the Mayor.

Most of the requirements of the MFMA concerning the budget content and documentation are in place for this budget process and were incorporated into this budget document. Major requirements of the MFMA include: 1) the budget must set out 'realistically anticipated revenues' for the year by each revenue source; 2) the budget must be generally divided between capital and operating expenditures and each must be set out by 'vote'; 3) expenditures can only be funded by 'realistic' revenues, surplus cash carried forward and not committed to any other expenditure or borrowed funds (borrowed funds can only be used to fund capital projects). There are many other format requirements for the budget that are too numerous to mention here, however, a complete listing can be found in section 17 of the MFMA.

The preparation of this budget document evolved the making of critical policy decisions and key strategies and policy directions that were given by the Mayoral Committee over the past months. In August of 2011 the Mayoral committee approved a set of assumptions and forecasts that were then used to prepare 'baseline' budgets. These 'baseline' budgets formed the basis for operating budget discussions and these were given to the Directors to review and revise within given guidelines. These revised baseline budgets returned by the directors then formed the basis for the draft budget that was built upon the key assumptions and decisions (*see section 10 for a discussion of budget assumptions*).

The budget and financial policies used to develop this budget are focused on making Lukhanji financially sustainable in the long run. One of the biggest challenges facing the municipality in the near future is maintaining an operating year end cash balance to allow for positive operating cash flows and unexpected contingencies. We must not only have sufficient cash available to pay all the creditors that we owe as required by the MFMA but also to allow for a cash reserve to even out sporadic cash flows during the operating year. We have worked diligently toward this goal over the past few years and have finally reached the point where we anticipate beginning the next financial year with enough cash to pay our creditors and still maintain some level of cash reserves.

As presented, the Budget for 2012/13 balances expenditures with revenues and available cash balances as required by the MFMA. In addition, we anticipate moving toward our goal of maintaining an operating cash reserve of 30 days.

Operational Revenues are anticipated to reach **R470.2 Million** (including currently known grants received for operational expenditures); **operational expenditures** funded from cash carry forwards and operating revenues are proposed at **R472 Million**.

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The Capital Budget is funded from a blend of conditional grants, proposed borrowings and cash carried forward from prior years. Capital expenditures for 2012/13 are estimated to total **R52 Million** for a variety of projects and purchases.

In preparing the budget many issues emerged that had to be taken into account. Several assumptions were utilized to produce estimates and forecasts. In addition, many policy decisions were incorporated into this budget document. The following list attempts to give the most significant of these.

Operating Revenues

- Revenues are shown on a 'billed' (or accrual) basis where applicable. In many cases revenue billed is much higher than cash actually collected on that billing. An offsetting bad debt expense is also included for each billed revenue vote. This expense must be considered in any revenue discussion. **Allocations for bad debt** include the following amounts.
 - Electricity 34.7 million
 - Rates 6.2 million
 - Refuse Collection 9.6 million
 - Water & Sanitation 15.3 million
 - Debtor's Interest 22.8 million
- **Rates and tariffs** in most cases contain proposed increases. A detailed listing and explanation of these is included in this document (see appendix A). To summarize these recommended increases:
 - Electricity 11.0% increase
 - Rates 10.0% increase
 - Refuse Collection 7.0% increase
 - Water & Sanitation 6.0% increase
- The **Equitable Share** Allocation from the National Treasury is **R109,210,000** which is up from the current budget of R96,062,000.
- The operating budget anticipates an agency **payment from the Chris Hani District Municipality** for providing the water and sanitation service of **R32,716,846 in the Lukhanji Municipal Area**. This amount is based on the model we have used for the past three years.

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Operating Expenditures

- **Employee salaries** and related expenses are increased by the level indicated by correspondence from SALGA. This amount to an **5% increase in 2012/13**. Council salaries are also budgeted to increase this same amount. In addition, all positions are budgeted to be filled for the entire year except where contract workers are used in the place of a vacancy. In Rand terms the salary and allowance related budget increased by almost R11.1 Million over the adjusted budget in the current 2011/12 budget.
- **Electricity bulk purchases** are anticipated to **increase by 13.5%** for next year.
- All costs related to our current **DBSA loan** and the repayment for **past fleet purchases** are fully funded in this budget
- An amount of **R1,500,000** has been allocated in the operating budget for normal street maintenance and repairs material
- **No amount** is included in the operating budget for the purchase of small equipment and machinery.

Capital Budget

The capital budget reflected in this document utilizes actually anticipated revenues, cash forward and borrowings to fund the budgeted expenditures of **R58.1 million**. Major items include the allocation of **R32 Million** in conditional capital grants allocated to the municipality.

Other items in the operating budget

Included in the appendix is a separate listing of various conditional grants/other funded items and programs included within the operating budget. Most of these items (amounting to some **R7.1 Million**) are funded by conditional grants that specify exactly what the money can be expended on.

Conclusion

The budget as presented in this document meets the requirements of the MFMA and is presented to Council for consideration and review.

As with any such endeavour, preparation of this document required the participation and time of many individuals. Appreciation and thanks are expressed to all those involved in making this possible.

The table and charts below show the percentage makeup of the revenue and expenditures for the 2012/13 Lukhanji Budget.

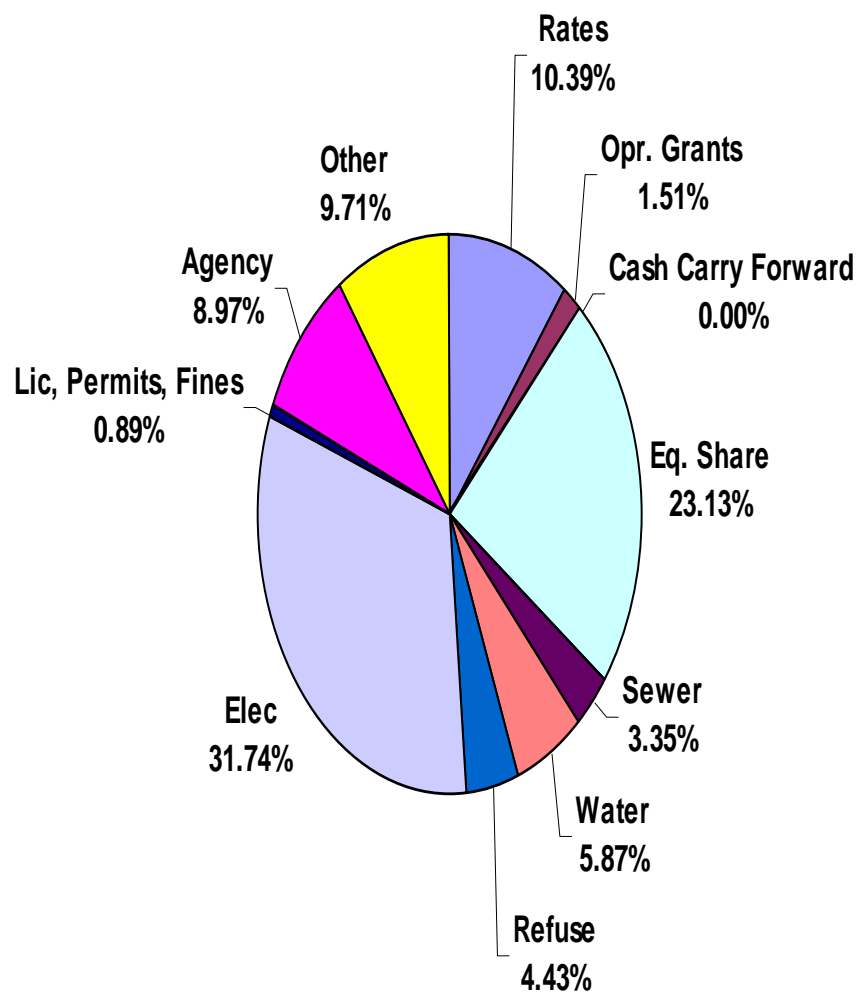
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Executive Summary 2012/13 Tabled Budget Overview

Revenues			
Operating Budget Revenues (000's)		Capital Budget Revenues (000's)	
Assessment Rates	49 059	Own Funds	26 000
Fines	801	Municipal Infrastructure Grant (MIG)	32 122
Electricity Tariffs	149 827		
Interest on Debtor Accounts	26 645		
Water Tariffs	27 701		
Sewer Tariffs	15 820		
Refuse Tariffs	20 913		
Government Grants and Subsidy:			
Equitable Share	109 210		
Operational Grants : FMG	1 500		
: MSIG	800		
: EPWP	2 844		
Graduate Development Programme	2 000		
	<u>116 354</u>		
Agency Fees:			
Water and Sewer	36 217		
Primary Health	2 712		
Libraries	<u>3 428</u>		
	<u>42 357</u>		
Gain on Sale of Property	-		
Other Revenues	<u>22 599</u>		
	<u><u>472 077</u></u>		
Total Revenue and Cash			<u><u>58 122</u></u>
Expenditures			
Operating Budget Expenditures (000's)		Capital Budget Expenditures (000's)	
Salaries, Wages, Allowances & related costs	134 941	Roads, Pavements, Bridges and Stormwater	29 182
Small Capital		Cemetries	1 111
Electricity Bulk Purchases	141 760	Community Lighting	5 004
General Expenses	44 303	Community Halls	3 900
Repairs and Maintenance	12 792	Sportfields	4 818
Repayment on Municipal Debt	4 791	LED Facilities	1 606
Provision for Bad Debts:		Vehicle Replacement Programme	2 500
Assessment Rates	6 279	Plant Replacement	10 000
Debtor Interest	22 897		
Electricity	34 732		
Water	10 264		
Refuse	9 606		
Sewer	<u>5 070</u>		
	<u>88 847</u>		
Operational Grants (see detail list)	7 144		
Municipal Services Charges	1 319		
WSSA Management Contract	34 346		
Provision for Working Capital	1 833		
	<u><u>472 077</u></u>		
Total Operating Budget Expenditures		Total Capital Expenditures	<u><u>58 122</u></u>

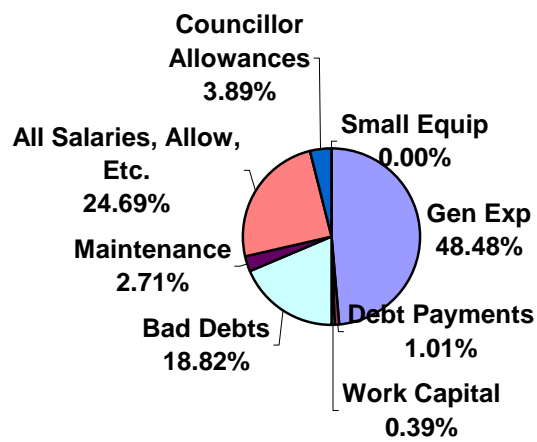
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How the Total Operating Revenue Budget are funded (R472 million)

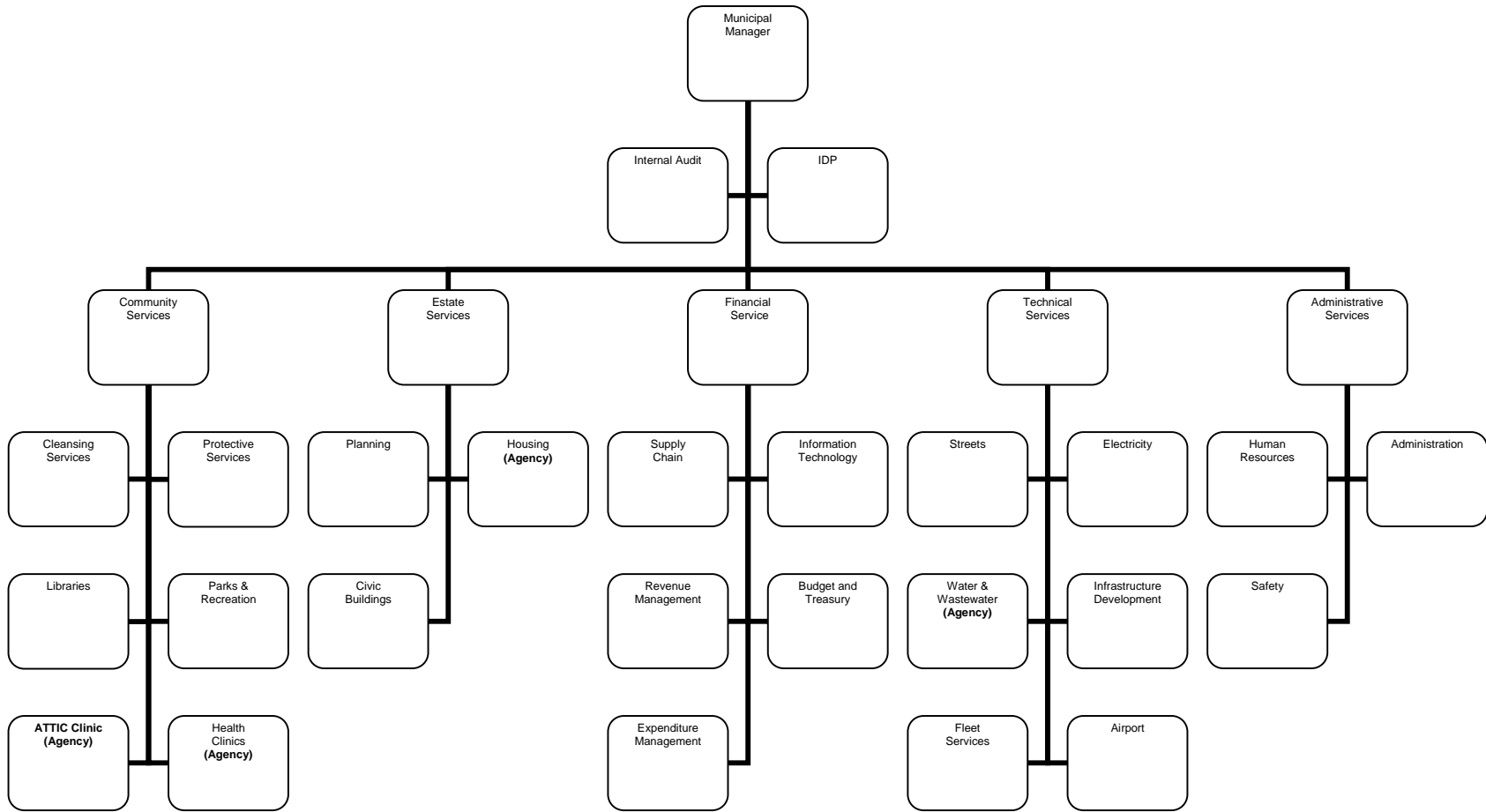


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How the Total Budget Operating Expenditure are allocated (R472 million)



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5 Annual Budget Tables (Operating & Capital)

These budget schedules are to be approved by resolution of Council and are contained in the following pages:

- 5.1 - Table A1 - Budget Summary**
- 5.2 - Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**
- 5.3 - Table A3 - Budgeted Financial Performance (revenue and Expenditure by municipal vote)**
- 5.4 - Table A4 - Budgeted Financial Performance (revenue and Expenditure)**
- 5.5 - Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding**
- 5.6 - Table A6 - Budgeted Financial Position**
- 5.7 - Table A7 - Budgeted Cash Flows**
- 5.8 - Table A8 - Cash Backed reserves/accumulated surplus Reconciliation**
- 5.9 - Table A9 - Asset management**
- 5.10 - Table A10 - Basic Service Delivery**

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EC134 Lukhanji - Table A1 Budget Summary

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousands										
Financial Performance										
Property rates	28,799	33,440	39,334	40,444	40,444	40,444	40,444	49,059	52,984	57,223
Service charges	122,677	143,012	170,897	207,798	198,466	198,466	198,466	214,261	235,232	257,515
Investment revenue	4,720	6,721	5,202	2,111	2,111	2,111	2,111	5,200	5,200	5,200
Transfers recognised - operational	100,567	124,997	123,368	102,259	108,339	108,339	108,339	116,354	122,532	133,041
Other own revenue	62,656	77,976	78,621	87,083	85,864	85,864	85,864	87,202	89,334	92,279
Total Revenue (excluding capital transfers and contributions)	319,419	386,145	419,423	439,694	435,224	435,224	435,224	472,077	505,282	545,258
Employee costs	87,062	88,261	98,336	109,470	106,849	106,849	106,849	119,454	125,127	131,080
Remuneration of councillors	11,858	13,901	15,242	18,810	17,698	17,698	17,698	16,732	17,444	18,191
Depreciation & asset impairment	-	9,285	15,309	-	-	-	-	-	-	-
Finance charges	2,011	1,522	876	6,965	5,673	5,673	5,673	4,791	1,265	1,162
Materials and bulk purchases	55,785	81,414	103,727	141,497	147,592	147,592	147,592	154,652	173,926	195,788
Transfers and grants	39,965	28,738	6,268	480	9,618	9,618	9,618	4,300	5,170	5,450
Other expenditure	99,567	127,174	141,666	162,473	147,795	147,795	147,795	170,314	180,492	191,480
Total Expenditure	296,248	350,295	381,423	439,694	435,224	435,224	435,224	470,243	503,424	543,151
Surplus/(Deficit)	23,171	35,850	37,999	0	-	-	-	1,833	1,857	2,106
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	23,171	35,850	37,999	0	-	-	-	1,833	1,857	2,106
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	23,171	35,850	37,999	0	-	-	-	1,833	1,857	2,106
Capital expenditure & funds sources										
Capital expenditure	207,296	789,694	802,003	41,452	36,980	36,980	36,980	54,717	46,059	51,858
Transfers recognised - capital	207,296	779,716	793,820	41,452	36,980	36,980	36,980	32,122	36,885	42,906
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	9,978	8,183	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	26,000	15,000	15,000
Total sources of capital funds	207,296	789,694	802,003	41,452	36,980	36,980	36,980	58,122	51,885	57,906
Financial position										
Total current assets	229,348	334,888	355,395	309,468	355,394	355,394	355,394	370,458	373,375	376,735
Total non current assets	207,296	789,694	802,003	207,296	802,003	802,003	802,003	860,125	912,010	969,916
Total current liabilities	122,208	176,814	146,249	135,780	164,717	164,717	164,717	154,886	149,886	144,886
Total non current liabilities	63,386	82,639	85,257	53,106	66,788	66,788	66,788	62,586	61,548	60,510
Community wealth/Equity	251,051	865,130	925,892	327,878	925,892	925,892	925,892	1,013,111	1,073,951	1,141,255
Cash flows										
Net cash from (used) operating	29,218	70,427	30,510	68,184	105,990	105,990	105,990	36,425	40,840	47,303
Net cash from (used) investing	1,683	(29,868)	(12,518)	(41,452)	(36,980)	(36,980)	(36,980)	(58,122)	(51,885)	(57,906)
Net cash from (used) financing	(4,696)	(5,903)	(1,022)	(5,401)	-	-	-	(4,202)	(1,038)	(1,038)
Cash/cash equivalents at the year end	73,374	108,029	125,000	146,331	194,018	194,018	194,018	168,119	156,036	144,395
Cash backing/surplus reconciliation										
Cash and investments available	74,080	108,762	125,224	84,096	125,224	125,224	125,224	120,288	118,205	116,565
Application of cash and investments	(78,096)	4,944	(96,370)	(160,478)	(195,995)	(195,995)	(195,995)	(151,153)	(159,591)	(168,056)
Balance - surplus (shortfall)	152,177	103,818	221,595	244,574	321,219	321,219	321,219	271,441	277,796	284,621
Asset management										
Asset register summary (WDV)	207,296	789,694	802,003	207,296	802,003	802,003	860,125	860,125	912,010	969,916
Depreciation & asset impairment	-	9,285	15,309	-	-	-	-	-	-	-
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	4,567	9,052	8,650	10,011	15,181	15,181	12,792	12,792	12,949	13,113
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

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EC134 Lukhanji - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		112,044	149,904	194,515	142,627	142,450	142,450	167,446	180,616	196,269
Executive and council		52,855	83,413	140,987	74,331	81,762	81,762	93,094	101,316	111,625
Budget and treasury office		58,915	66,142	53,528	67,987	60,379	60,379	74,352	79,300	84,644
Corporate services		274	349	-	308	308	308	-	-	-
<i>Community and public safety</i>		22,445	26,326	21,190	21,143	18,521	18,521	18,841	18,606	18,798
Community and social services		4,273	2,639	1,878	4,872	4,194	4,194	4,952	5,112	5,280
Sport and recreation		644	696	210	200	179	179	516	238	238
Public safety		9,969	14,318	12,637	12,102	10,179	10,179	10,660	10,528	10,535
Housing		-	-	-	-	-	-	-	-	-
Health		7,560	8,673	6,465	3,970	3,970	3,970	2,712	2,728	2,745
<i>Economic and environmental services</i>		15,570	36,857	3,639	8,703	8,457	8,457	9,977	8,810	9,083
Planning and development		7,534	16,218	1,303	2,810	2,544	2,544	3,627	4,427	4,627
Road transport		8,036	20,639	2,335	5,893	5,913	5,913	6,350	4,383	4,456
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		169,357	173,055	200,077	267,220	265,793	265,793	275,811	297,247	321,106
Electricity		106,747	99,663	121,846	156,435	153,120	153,120	158,189	174,755	192,328
Water		31,431	39,593	31,742	68,539	62,302	62,302	64,856	67,604	70,501
Waste water management		12,956	13,319	17,793	14,931	18,691	18,691	19,793	21,167	22,637
Waste management		18,222	20,480	28,696	27,315	31,680	31,680	32,972	33,721	35,640
<i>Other</i>	4	3	3	3	2	3	3	3	3	3
Total Revenue - Standard	2	319,419	386,145	419,423	439,694	435,224	435,224	472,077	505,282	545,258
Expenditure - Standard										
<i>Governance and administration</i>		45,513	47,648	83,762	44,300	40,659	40,659	81,404	83,578	87,529
Executive and council		21,836	27,376	50,281	23,535	28,302	28,302	33,516	34,769	36,091
Budget and treasury office		20,401	17,059	28,658	16,936	8,586	8,586	42,400	43,095	45,487
Corporate services		3,276	3,213	4,823	3,828	3,771	3,771	5,488	5,714	5,951
<i>Community and public safety</i>		34,610	36,730	43,477	44,107	41,756	41,756	46,310	47,981	49,901
Community and social services		8,760	8,683	9,993	11,679	11,229	11,229	11,596	12,083	12,595
Sport and recreation		6,497	6,555	7,312	10,207	9,408	9,408	10,281	10,649	11,164
Public safety		11,645	13,256	17,245	18,251	17,150	17,150	21,721	22,520	23,397
Housing		-	-	-	-	-	-	-	-	-
Health		7,708	8,237	8,927	3,970	3,970	3,970	2,712	2,728	2,745
<i>Economic and environmental services</i>		24,529	34,129	16,691	22,891	23,957	23,957	24,915	25,771	26,858
Planning and development		12,259	20,383	7,083	8,900	9,420	9,420	10,079	11,226	11,792
Road transport		12,269	13,746	9,608	13,990	14,537	14,537	14,836	14,545	15,067
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		191,481	231,688	237,395	328,277	328,735	328,735	317,504	345,980	378,744
Electricity		110,356	126,693	149,606	199,573	197,301	197,301	198,798	222,050	248,466
Water		41,786	61,768	49,920	73,238	72,728	72,728	63,609	66,527	69,619
Waste water management		17,254	18,497	14,144	20,932	24,101	24,101	21,041	22,244	23,519
Waste management		22,086	24,729	23,725	34,534	34,606	34,606	34,056	35,159	37,140
<i>Other</i>	4	114	99	99	120	117	117	111	115	119
Total Expenditure - Standard	3	296,248	350,295	381,423	439,694	435,224	435,224	470,243	503,424	543,151
Surplus/(Deficit) for the year		23,171	35,850	37,999	0	-	-	1,833	1,857	2,106

Lukhanji Tabled Draft Budget

EC134 Lukhanji - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		52,855	83,413	140,987	74,331	81,762	81,762	93,094	101,316	111,625
Vote 2 - FINANCE AND ADMINISTRATION		59,189	66,491	53,528	68,296	60,688	60,688	74,352	79,300	84,644
Vote 3 - PLANNING AND DEVELOPMENT		7,534	16,218	1,303	2,810	2,544	2,544	3,627	4,427	4,627
Vote 4 - HEALTH		7,560	8,673	6,465	3,970	3,970	3,970	2,712	2,728	2,745
Vote 5 - COMMUNITY AND SOCIAL SERVICES		4,273	2,639	1,878	4,872	4,194	4,194	4,952	5,112	5,280
Vote 6 - PUBLIC SAFETY		9,969	14,318	12,637	12,102	10,179	10,179	10,660	10,528	10,535
Vote 7 - SPORT AND RECREATION		644	696	210	200	179	179	516	238	238
Vote 8 - WASTE WATER MANAGEMENT		12,956	13,319	17,793	14,931	18,691	18,691	19,793	21,167	22,637
Vote 9 - WASTE MANAGEMENT		18,222	20,480	28,696	27,315	31,680	31,680	32,972	33,721	35,640
Vote 10 - ROADS TRANSPORT		8,036	20,639	2,335	5,893	5,913	5,913	6,350	4,383	4,456
Vote 11 - WATER		31,431	39,593	31,742	68,539	62,302	62,302	64,856	67,604	70,501
Vote 12 - ELECTRICTY		106,747	99,663	121,846	156,435	153,120	153,120	158,189	174,755	192,328
Vote 13 - OTHER		3	3	3	2	3	3	3	3	3
Vote 14 - HOUSING		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	319,419	386,145	419,423	439,694	435,224	435,224	472,077	505,282	545,258
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE AND COUNCIL		21,836	27,376	50,281	23,535	28,302	28,302	33,516	34,769	36,091
Vote 2 - FINANCE AND ADMINISTRATION		23,677	20,272	33,481	20,765	12,357	12,357	47,888	48,809	51,438
Vote 3 - PLANNING AND DEVELOPMENT		12,259	20,383	7,083	8,900	9,420	9,420	10,079	11,226	11,792
Vote 4 - HEALTH		7,708	8,237	8,927	3,970	3,970	3,970	2,712	2,728	2,745
Vote 5 - COMMUNITY AND SOCIAL SERVICES		8,760	8,683	9,993	11,679	11,229	11,229	11,596	12,083	12,595
Vote 6 - PUBLIC SAFETY		11,645	13,256	17,245	18,251	17,150	17,150	21,721	22,520	23,397
Vote 7 - SPORT AND RECREATION		6,497	6,555	7,312	10,207	9,408	9,408	10,281	10,649	11,164
Vote 8 - WASTE WATER MANAGEMENT		17,254	18,497	14,144	20,932	24,101	24,101	21,041	22,244	23,519
Vote 9 - WASTE MANAGEMENT		22,086	24,729	23,725	34,534	34,606	34,606	34,056	35,159	37,140
Vote 10 - ROADS TRANSPORT		12,269	13,746	9,608	13,990	14,537	14,537	14,836	14,545	15,067
Vote 11 - WATER		41,786	61,768	49,920	73,238	72,728	72,728	63,609	66,527	69,619
Vote 12 - ELECTRICTY		110,356	126,693	149,606	199,573	197,301	197,301	198,798	222,050	248,466
Vote 13 - OTHER		114	99	99	120	117	117	111	115	119
Vote 14 - HOUSING		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	296,248	350,295	381,423	439,694	435,224	435,224	470,243	503,424	543,151
Surplus/(Deficit) for the year	2	23,171	35,850	37,999	0	-	-	1,833	1,857	2,106

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EC134 Lukhanji - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1										
Revenue By Source											
Property rates	2	28,799	33,440	39,334	40,444	40,444	40,444	40,444	49,059	52,984	57,223
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	73,604	90,613	113,421	147,810	143,898	143,898	143,898	149,827	166,325	183,824
Service charges - water revenue	2	21,816	23,179	25,157	25,168	19,862	19,862	19,862	27,701	29,618	31,668
Service charges - sanitation revenue	2	13,058	13,392	14,124	15,001	14,882	14,882	14,882	15,820	16,911	18,079
Service charges - refuse revenue	2	14,200	15,828	18,195	19,820	19,824	19,824	19,824	20,913	22,377	23,944
Service charges - other											
Rental of facilities and equipment		1,550	1,464	1,469	1,405	2,350	2,350	2,350	2,519	2,519	2,519
Interest earned - external investments		4,720	6,721	5,202	2,111	2,111	2,111	2,111	5,200	5,200	5,200
Interest earned - outstanding debtors		19,092	16,797	16,883	17,586	22,718	22,718	22,718	26,645	28,658	30,825
Dividends received											
Fines		231	602	729	529	301	301	301	801	801	801
Licences and permits		4,343	4,898	5,009	5,003	4,230	4,230	4,230	4,208	4,208	4,208
Agency services		23,664	38,325	35,945	49,693	45,301	45,301	45,301	42,357	43,053	43,752
Transfers recognised - operational		100,567	124,997	125,368	102,259	108,339	108,339	108,339	116,354	122,532	133,041
Other revenue	2	12,054	12,637	9,230	12,868	10,964	10,964	10,964	10,673	10,095	10,175
Gains on disposal of PPE		1,721	3,254	9,356	-	-			-	-	-
Total Revenue (excluding capital transfers and contributions)		319,419	386,145	419,423	439,694	435,224	435,224	435,224	472,077	505,282	545,258
Expenditure By Type											
Employee related costs	2	87,062	88,261	98,336	109,470	106,849	106,849	106,849	119,454	125,127	131,080
Remuneration of councillors		11,858	13,901	15,242	18,810	17,698	17,698	17,698	16,732	17,444	18,191
Debt impairment	3	41,673	57,894	76,044	76,243	69,002	69,002	69,002	88,847	96,296	104,386
Depreciation & asset impairment	2	-	9,285	15,309	-	-	-	-	-	-	-
Finance charges		2,011	1,522	876	6,965	5,673	5,673	5,673	4,791	1,265	1,162
Bulk purchases	2	51,217	72,361	95,077	131,486	132,411	132,411	132,411	141,860	160,977	182,676
Other materials	8	4,567	9,052	8,650	10,011	15,181	15,181	15,181	12,792	12,949	13,113
Contracted services		32,919	38,280	40,883	51,327	35,476	35,476	35,476	36,862	38,557	40,337
Transfers and grants		39,965	28,738	6,268	480	9,618	9,618	9,618	4,300	5,170	5,450
Other expenditure	4, 5	24,975	31,000	24,738	34,903	43,316	43,316	43,316	44,605	45,639	46,757
Loss on disposal of PPE											
Total Expenditure		296,248	350,295	381,423	439,694	435,224	435,224	435,224	470,243	503,424	543,151
Surplus/(Deficit)											
Transfers recognised - capital		23,171	35,850	37,999	0	-	-	-	1,833	1,857	2,106
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		23,171	35,850	37,999	0	-	-	-	1,833	1,857	2,106
Taxation											
Surplus/(Deficit) after taxation		23,171	35,850	37,999	0	-	-	-	1,833	1,857	2,106
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		23,171	35,850	37,999	0	-	-	-	1,833	1,857	2,106
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		23,171	35,850	37,999	0	-	-	-	1,833	1,857	2,106

Lukhanji Tabled Draft Budget

EC134 Lukhanji - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		509	2,662	1,633	1,376	-	-	-	-	-	-
Vote 2 - FINANCE AND ADMINISTRATION		16,759	14,805	16,144	-	-	-	-	-	-	-
Vote 3 - PLANNING AND DEVELOPMENT		1,062	577,012	571,874	1,744	-	-	-	-	-	-
Vote 4 - HEALTH		283	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY AND SOCIAL SERVICES		1,166	-	-	5,153	-	-	-	-	-	-
Vote 6 - PUBLIC SAFETY		308	47	20	200	-	-	-	-	-	-
Vote 7 - SPORT AND RECREATION		56	702	665	371	-	-	-	-	-	-
Vote 8 - WASTE WATER MANAGEMENT		-	-	-	4	-	-	-	-	-	-
Vote 9 - WASTE MANAGEMENT		600	8,404	8,359	544	-	-	-	-	-	-
Vote 10 - ROADS TRANSPORT		97,186	102,213	119,096	17,342	22,193	22,193	22,193	-	-	-
Vote 11 - WATER		-	-	-	690	-	-	-	-	-	-
Vote 12 - ELECTRICITY		89,167	83,849	84,212	11,206	8,990	8,990	8,990	-	-	-
Vote 13 - OTHER		200	-	-	-	-	-	-	-	-	-
Vote 14 - HOUSING		-	-	-	2,821	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	207,296	789,694	802,003	41,452	31,183	31,183	31,183	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	1,324	1,324	1,324	1,606	1,694	1,792
Vote 2 - FINANCE AND ADMINISTRATION		-	-	-	-	-	-	-	12,500	5,000	5,000
Vote 3 - PLANNING AND DEVELOPMENT		-	-	-	-	1,482	1,482	1,482	1,606	4,694	8,854
Vote 4 - HEALTH		-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-	5,011	7,520	7,840
Vote 6 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-
Vote 7 - SPORT AND RECREATION		-	-	-	-	550	550	550	4,818	5,083	-
Vote 8 - WASTE WATER MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 9 - WASTE MANAGEMENT		-	-	-	-	554	554	554	-	-	-
Vote 10 - ROADS TRANSPORT		-	-	-	-	-	-	-	27,576	24,736	26,652
Vote 11 - WATER		-	-	-	-	-	-	-	-	-	-
Vote 12 - ELECTRICITY		-	-	-	-	-	-	-	5,004	3,158	7,768
Vote 13 - OTHER		-	-	-	-	-	-	-	-	-	-
Vote 14 - HOUSING		-	-	-	-	1,887	1,887	1,887	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	5,797	5,797	5,797	58,122	51,885	57,906
Total Capital Expenditure - Vote		207,296	789,694	802,003	41,452	36,980	36,980	36,980	58,122	51,885	57,906
Capital Expenditure - Standard											
Governance and administration		17,268	17,467	17,777	1,376	1,324	1,324	1,324	14,106	6,694	6,792
Executive and council		509	2,662	1,633	1,376	1,324	1,324	1,324	1,606	1,694	1,792
Budget and treasury office		16,759	14,805	16,144	-	-	-	-	12,500	5,000	5,000
Corporate services		-	-	-	-	-	-	-	-	-	-
Community and public safety		1,813	748	685	8,545	2,437	2,437	2,437	6,424	6,777	1,792
Community and social services		1,166	-	-	5,153	-	-	-	1,606	1,694	1,792
Sport and recreation		56	702	665	371	550	550	550	4,818	5,083	-
Public safety		308	47	20	200	-	-	-	-	-	-
Housing		-	-	-	2,821	1,887	1,887	1,887	-	-	-
Health		283	-	-	-	-	-	-	-	-	-
Economic and environmental services		98,248	679,225	690,970	19,086	23,676	23,676	23,676	29,182	29,431	35,506
Planning and development		1,062	577,012	571,874	1,744	1,482	1,482	1,482	1,606	4,694	8,854
Road transport		97,186	102,213	119,096	17,342	22,194	22,194	22,194	27,576	24,736	26,652
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		89,767	92,253	92,571	12,445	9,544	9,544	9,544	5,004	3,158	7,768
Electricity		89,167	83,849	84,212	11,206	8,990	8,990	8,990	5,004	3,158	7,768
Water		-	-	-	690	-	-	-	-	-	-
Waste water management		-	-	-	4	-	-	-	-	-	-
Waste management		600	8,404	8,359	544	554	554	554	-	-	-
Other		200	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	207,296	789,694	802,003	41,452	36,980	36,980	36,980	54,717	46,059	51,858
Funded by:											
National Government		-	-	-	41,452	36,980	36,980	36,980	32,122	36,885	42,906
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		207,296	779,716	793,820	-	-	-	-	-	-	-
Transfers recognised - capital	4	207,296	779,716	793,820	41,452	36,980	36,980	36,980	32,122	36,885	42,906
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	9,978	8,183	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	26,000	15,000	15,000
Total Capital Funding	7	207,296	789,694	802,003	41,452	36,980	36,980	36,980	58,122	51,885	57,906

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EC134 Lukhanji - Table A6 Budgeted Financial Position

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
ASSETS											
Current assets											
Cash	1	73,374	108,030	125,000	83,389	27,278	27,278	27,278	22,342	20,259	18,619
Call investment deposits		707	733	225	707	97,946	97,946	97,946	97,946	97,946	97,946
Consumer debtors		43,729	37,506	25,538	90,000	25,538	25,538	25,538	45,538	50,538	55,538
Other debtors	2	111,538	188,620	204,632	135,372	204,632	204,632	204,632	204,632	204,632	204,632
Current portion of long-term receivables											
Inventory											
Total current assets		229,348	334,888	355,395	309,468	355,394	355,394	355,394	370,458	373,375	376,735
Non current assets											
Long-term receivables	3										
Investments											
Investment property			91,284	91,284		91,284	91,284	91,284	91,284	91,284	91,284
Investment in Associate											
Property, plant and equipment		207,296	698,411	710,711	207,296	710,711	710,711	710,711	768,833	820,718	878,624
Agricultural											
Biological											
Intangible				8		8	8	8	8	8	8
Other non-current assets											
Total non current assets		207,296	789,694	802,003	207,296	802,003	802,003	802,003	860,125	912,010	969,916
TOTAL ASSETS		436,644	1,124,583	1,157,398	516,764	1,157,397	1,157,397	1,157,397	1,230,583	1,285,385	1,346,651
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	4,455	4,276	4,794	3,409	4,794	4,794	4,794	-	-	-
Consumer deposits	4	7,383	7,603	7,937	83,000	7,937	7,937	7,937	7,900	7,900	7,900
Trade and other payables		110,370	164,935	133,517	49,371	134,910	134,910	134,910	129,910	124,910	119,910
Provisions						17,076	17,076	17,076	17,076	17,076	17,076
Total current liabilities		122,208	176,814	146,249	135,780	164,717	164,717	164,717	154,886	149,886	144,886
Non current liabilities											
Borrowing		11,803	7,496	6,906	1,523	6,906	6,906	6,906	2,704	1,666	628
Provisions		51,583	75,143	78,351	51,583	59,882	59,882	59,882	59,882	59,882	59,882
Total non current liabilities		63,386	82,639	85,257	53,106	66,788	66,788	66,788	62,586	61,548	60,510
TOTAL LIABILITIES		185,594	259,453	231,506	188,886	231,505	231,505	231,505	217,472	211,434	205,396
NET ASSETS	5	251,051	865,130	925,892	327,878	925,892	925,892	925,892	1,013,111	1,073,951	1,141,255
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)	4	251,051	865,130	925,892	327,878	925,892	925,892	925,892	1,013,111	1,073,951	1,141,255
Reserves		-	-	-	-	-	-	-	-	-	-
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	251,051	865,130	925,892	327,878	925,892	925,892	925,892	1,013,111	1,073,951	1,141,255

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EC134 Lukhanji - Table A7 Budgeted Cash Flows

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other	1	166,320	66,452	162,008	272,221	330,793	330,793	330,793	258,640	278,211	299,581
Government - operating			134,499	101,664	103,416	111,829	111,829	111,829	116,354	122,532	133,041
Government - capital						27,480	27,480	27,480	32,122	36,885	42,906
Interest			23,026	22,437	13,651	4,443	2,111	2,111	5,200	5,200	5,200
Dividends											
Payments											
Suppliers and employees	1	(158,015)	(150,785)	(240,129)	(310,283)	(360,586)	(360,586)	(360,586)	(375,302)	(401,760)	(433,301)
Finance charges		(2,114)	(2,176)	(6,684)	(1,614)	(5,636)	(5,636)	(5,636)	(589)	(228)	(124)
Transfers and Grants											
NET CASH FROM/(USED) OPERATING ACTIVITIES		29,218	70,427	30,510	68,184	105,990	105,990	105,990	36,425	40,840	47,303
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		1,721	3,254	9,356							
Decrease (Increase) in non-current debtors											
Decrease (Increase) other non-current receivables		5									
Decrease (increase) in non-current investments		(43)	(7,828)	5,694							
Payments											
Capital assets			(25,295)	(27,568)	(41,452)	(36,980)	(36,980)	(36,980)	(58,122)	(51,885)	(57,906)
NET CASH FROM/(USED) INVESTING ACTIVITIES		1,683	(29,868)	(12,518)	(41,452)	(36,980)	(36,980)	(36,980)	(58,122)	(51,885)	(57,906)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing		(821)									
Increase (decrease) in consumer deposits		297									
Payments											
Repayment of borrowing		(4,172)	(5,903)	(1,022)	(5,401)	-		(4,202)	(1,038)	(1,038)	
NET CASH FROM/(USED) FINANCING ACTIVITIES		(4,696)	(5,903)	(1,022)	(5,401)	-	-	-	(4,202)	(1,038)	(1,038)
NET INCREASE/(DECREASE) IN CASH HELD		26,206	34,656	16,970	21,331	69,010	69,010	69,010	(25,899)	(12,083)	(11,641)
Cash/cash equivalents at the year begin:	2	47,168	73,374	108,029	125,000	125,008	125,008	125,008	194,018	168,119	156,036
Cash/cash equivalents at the year end:	2	73,374	108,029	125,000	146,331	194,018	194,018	194,018	168,119	156,036	144,395

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EC134 Lukhanji - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	73,374	108,029	125,000	146,331	194,018	194,018	194,018	168,119	156,036	144,395
Other current investments > 90 days		707	733	225	(62,235)	(68,794)	(68,794)	(68,794)	(47,831)	(37,831)	(27,830)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		74,080	108,762	125,224	84,096	125,224	125,224	125,224	120,288	118,205	116,565
Application of cash and investments											
Unspent conditional transfers		23,979	36,631	15,471	12,981	15,471	15,471	15,471	15,471	15,471	15,471
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(102,076)	(31,687)	(111,841)	(173,459)	(211,466)	(211,466)	(211,466)	(166,624)	(175,062)	(183,527)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(78,096)	4,944	(96,370)	(160,478)	(195,995)	(195,995)	(195,995)	(151,153)	(159,591)	(168,056)
Surplus(shortfall)		152,177	103,818	221,595	244,574	321,219	321,219	321,219	271,441	277,796	284,621

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EC134 Lukhanji - Table A9 Asset Management

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	207,296	789,694	802,003	41,452	36,980	36,980	58,122	51,885	57,906
Infrastructure - Road transport		-	102,213	119,096	17,342	22,193	22,193	27,576	24,736	26,652
Infrastructure - Electricity		-	83,849	84,212	11,206	8,990	8,990	5,004	3,158	7,768
Infrastructure - Water		-	-	-	690	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	4	-	-	-	-	-
Infrastructure - Other		-	8,240	8,203	2,288	2,036	2,036	3,212	3,389	3,584
Infrastructure		-	194,302	211,511	31,531	33,219	33,219	35,792	31,282	38,004
Community		-	-	-	5,724	550	550	9,830	12,603	7,840
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	91,284	91,284	-	-	-	-	-	-
Agricultural Assets	6	207,296	504,109	499,200	4,197	3,211	3,211	12,500	8,000	12,062
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	8	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>										
Infrastructure - Road transport	2	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>										
Infrastructure - Road transport	4	-	102,213	119,096	17,342	22,193	22,193	27,576	24,736	26,652
Infrastructure - Electricity		-	83,849	84,212	11,206	8,990	8,990	5,004	3,158	7,768
Infrastructure - Water		-	-	-	690	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	4	-	-	-	-	-
Infrastructure - Other		-	8,240	8,203	2,288	2,036	2,036	3,212	3,389	3,584
Infrastructure		-	194,302	211,511	31,531	33,219	33,219	35,792	31,282	38,004
Community		-	-	-	5,724	550	550	9,830	12,603	7,840
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	91,284	91,284	-	-	-	-	-	-
Agricultural Assets		207,296	504,109	499,200	4,197	3,211	3,211	12,500	8,000	12,062
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	8	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class										
	2	207,296	789,694	802,003	41,452	36,980	36,980	58,122	51,885	57,906
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5		102,213	119,096				119,096	119,096	119,096
Infrastructure - Electricity			83,849	84,212				84,212	84,212	84,212
Infrastructure - Water			-	-				-	-	-
Infrastructure - Sanitation			-	-				-	-	-
Infrastructure - Other			8,240	8,203				8,203	8,203	8,203
Infrastructure		-	194,302	211,511	-	-	-	211,511	211,511	211,511
Community			-	-				-	-	-
Heritage assets			-	-				-	-	-
Investment properties		-	91,284	91,284	-	91,284	91,284	91,284	91,284	91,284
Other assets		207,296	504,109	499,200	207,296	710,711	710,711	557,322	609,207	667,113
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	8	-	8	8	8	8	8
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)										
	5	207,296	789,694	802,003	207,296	802,003	802,003	860,125	912,010	969,916
EXPENDITURE OTHER ITEMS										
<u>Depreciation & asset impairment</u>	3	-	9,285	15,309	-	-	-	-	-	-
<u>Repairs and Maintenance by Asset Class</u>		4,567	9,052	8,650	10,011	15,181	15,181	12,792	12,949	13,113
Infrastructure - Road transport		971	1,329	1,451	2,159	1,972	1,972	2,159	2,159	2,159
Infrastructure - Electricity		1,397	1,834	1,722	2,443	2,593	2,593	1,843	1,843	1,843
Infrastructure - Water		59	2,860	490	225	3,345	3,345	3,225	3,225	3,225
Infrastructure - Sanitation		38	503	1,440	669	2,212	2,212	712	712	712
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		2,465	6,527	5,104	5,496	10,122	10,122	7,939	7,939	7,939
Community		152	169	165	367	300	300	326	326	326
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	1,951	2,356	3,381	4,147	4,759	4,759	4,527	4,684	4,848
TOTAL EXPENDITURE OTHER ITEMS										
		4,567	18,337	23,959	10,011	15,181	15,181	12,792	12,949	13,113
<u>Renewal of Existing Assets as % of total capex</u>										
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE		2.2%	1.3%	1.2%	4.8%	2.1%	2.1%	1.7%	1.6%	1.5%
Renewal and R&M as a % of PPE		2.0%	1.0%	1.0%	5.0%	2.0%	2.0%	1.0%	1.0%	1.0%

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EC134 Lukhanji - Table A10 Basic service delivery measurement

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Household service targets	1									
<u>Water:</u>										
Piped water inside dwelling										
Piped water inside yard (but not in dwelling)										
Using public tap (at least min.service level)	2									
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)										
Flush toilet (with septic tank)										
Chemical toilet										
Pit toilet (ventilated)										
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Energy:</u>										
Electricity (at least min.service level)										
Electricity - prepaid (min.service level)										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Refuse:</u>										
Removed at least once a week										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)										
Sanitation (free minimum level service)										
Electricity/other energy (50kwh per household per month)										
Refuse (removed at least once a week)										
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)										
Sanitation (free sanitation service)										
Electricity/other energy (50kwh per household per month)										
Refuse (removed once a week)										
Total cost of FBS provided (minimum social package)		-	-	-	-	-	-	-	-	-
Highest level of free service provided										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)										
Property rates (other exemptions, reductions and rebates)										
Water										
Sanitation										
Electricity/other energy										
Refuse										
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of free services provided (total social package)	6	-	-	-	-	-	-	-	-	-

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6 Budget Related Charts and Explanatory Notes

These charts tie with the budget schedules presented above and are presented to illustrate the related numerical schedule.

6.1 - Chart 1 - Operating Revenue by Source

6.2 - Chart 2 - Operating Expenditures by GFS Function (Vote)

6.3 - Chart 3 - Capital Expenditure by Vote

6.6 - Chart 4 - Capital Budget by funding source

TO BE INCLUDED IN FINAL BUDGET

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Supporting Documentation

Section 17(3) of the MFMA requires certain documents must accompany the budget.

7. Budget Process Overview

The following schedule was adopted by the Council in August 2011 and was followed in the preparation of the 2012/13 medium term budget document.

Lukhanji Municipality

2012/13

KEY DEADLINES FOR BUDGET PREPARATION SCHEDULE		
Item description	Due Date	Responsible Person
July 2011		
Review the 2010/11 Budget Process	1-31 July	CFO
Establish process and timetable for the 2012/13 to 2014/15 Budget Development.	21-Jul-11	Mayor, CFO, Budget Mgr
August 2011		
Identify the key assumptions and factors affecting the medium term budget forecasts.	22-Aug-11	CFO
COUNCIL MEETING: Budget Schedule to be tabled to the Council	26-Aug-11	MAYOR
2010/11 Financial Statements submitted to Auditor-General	31-Aug-11	CFO
September 2011		
MAYORAL/ BUDGET STEERING COMMITTEE MEETING: Mayoral committee to meet and identify strategies and guidelines for the development of the 2012/13 to 2014/15 Budgets. Committee should adopt the 'Budget Preparation and Financial Guidelines' proposed.	07-Sep-11	CFO, Budget Mgr
MAYORAL / STEERING COMMITTEE MEETING: - review progress and budget assumptions	07-Sep-11	CFO, Budget Mgr
MEETING WITH DIRECTORS AND MANAGERS: Directorates to be provided with the current Baseline Operating Medium Term Expenditure Forecasts (MTEF) 2012/13 thru 2014/15 that are to be used as a basis for the development of new Operating Medium Term Expenditure	20-Sep-11	CFO, Budget Mgr
Check with National, Provincial Governments and District Municipality for any adjustments to projected allocations for the next three years.	30-Sep-11	Budget Mgr

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October 2011		
MAYORAL / STEERING COMMITTEE MEETING: - review progress and baseline operating budget.	05-Oct-11	CFO, Budget Mgr
Schedule individual meetings with Directorate to review baseline budget and work progress for completion of changes and supplemental requests	27-Oct-11	Budget Mgr
Review current tariffs, receive requested changes from directorates and prepare options for consideration	31-Oct-11	Revenue Mgr, Budget Mgr.
SUBMISSION OF BASELINE BUDGETS AND SUPPLEMENTAL REQUESTS FROM DIRECTORATES: Final date for submission of all Baseline Operating Budgets, Capital Budgets and Operational plans by Directorates to the budget office.	31-Oct-11	Directorates
November 2011		
Draft report on proposed tariff changes for review to Budget Steering Committee delivered to CFO	03-Nov-11	Revenue Mgr, Budget Mgr.
MAYORAL / STEERING COMMITTEE MEETING: - review progress and proposed tariff report.	09-Nov-11	CFO, Budget Mgr
Prepare first draft of operating and capital medium term budget based on baseline operating budgets submitted by directorates	30-Nov-11	Budget Mgr
Receive audited Financial Statements and Audit report from the Auditor-General for the 2010//11 financial year	30-Nov-11	Auditor-General
December 2011		
MAYORAL / STEERING COMMITTEE MEETING: - review progress, baseline budget report AND DRAFT TARRIFS.	07-Dec-11	CFO, Budget Mgr
January 2012		
MAYORAL / STEERING COMMITTEE MEETING: - review progress and DRAFT BUDGET.	18-Jan-12	CFO, Budget Mgr
MAYORAL COMMITTEE MEETING: PRESENT MIDYEAR PERFORMANCE REPORT TO MAYORAL COMMITTEE: Final review of 2011/12 operating and capital budget for midyear adjustments to mayoral committee for approval to council.	25-Jan-12	Municipal Manager
COUNCIL MEETING: Table in a special council meeting the annual report, mid year assessment report, financial statements and audit report	31-Jan-12	Municipal Manager, Mayor

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February 2012		
MAYORAL / STEERING COMMITTEE MEETING: - review progress and the DRAFT BUDGET.	01-Feb-12	CFO, Budget Mgr
COUNCIL MEETING: Table in a special council meeting the adjustments budget for mid-year	28-Feb-12	Mayor
Check with National, Provincial Governments and District Municipality for any adjustments to projected allocations for the next three years.	23-Feb-12	Budget Mgr
March 2012		
MAYORAL / STEERING COMMITTEE MEETING: - review progress and DRAFT BUDGET.	07-Mar-12	CFO, Budget Mgr
Final Date for Directorates to present SDBIP performance indicators and service delivery targets for 2012/13 for review.	16-Mar-12	Directorates
MAYORAL / STEERING COMMITTEE MEETING: final draft operating and capital budget presented to Mayoral committee for review	21-Mar-12	CFO, Budget Mgr
COUNCIL MEETING: Council (after consideration of the 2010/11 Annual Report) to adopt an Oversight Report.	31-Mar-12	Oversight Committee
COUNCIL MEETING: Operating and Capital draft budget and IDP tabled to Council for consultation with the community	31-Mar-12	Mayor, Finance MEC
Submit to National Treasury, Provincial Treasury and the MEC responsible for Local Government the Annual Financial Statements, the 2010/11 audit report and any corrective action taken in response to the findings of the audit report.	31-Mar-12	Administrative Director
Submit draft budgets in required form to NT, Provincial Treasury	31-Mar-12	Budget Mgr

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April 2012		
Hold public meetings and consultations on budget/ IDP	1-30 April	Speaker, Administrative Director
Check with National, Provincial Governments and District Municipality for any adjustments to projected allocations for the next three years.	12-Apr-12	Budget Mgr
Directorates are to provide a list of Capital Projects to be rolled over for inclusion in the 2012/13 Budget to the budget office and cash balances forward for grant projects.	30-Apr-12	Directorates
May 2012		
Hold public meetings and consultations on budget/ IDP	1 - 7 May	Speaker, Administrative Director
Final Budgets prepared taking into consideration submissions made during consultation process	18-May-12	CFO, Budget Mgr
MEETING OF MAYORAL / STEERING COMMITTEE: Approval of FINAL operating and capital budget for presentation to the full council	23-May-12	CFO, Budget Mgr
COUNCIL MEETING: IDP & Budgets for 2012/13 thru 2014/15 adopted by Council along with the Mayor's budget address	31-May-12	Mayor, Finance MEC
June 2012		
The Service Delivery and Budget Implementation Plans (SDBIP) along with the annual performance agreements for the Municipal Manager and all managers directly responsible to the MM (based on the operational plans and IDP) is to be issued to the Mayor by th	14-Jun-12	Municipal Manager
IDP & Annual Budget reports to National, Provincial Treasury and the District municipality.	14-Jun-12	Budget Mgr
MAYORAL TO APPROVE SDBIP AND PERFORMANCE AGREEMENTS within 14 days after receiving them.	28-Jun-12	MAYOR

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Political Oversight

The Budget is a political document. Although most of the technical preparation of the document is performed by staff, the budget is, in accordance with the MFMA, the Mayor's document. The Mayor and the Mayoral committee were involved with the budget at every step.

In July 2011 the mayor appointed a 'Budget' Steering committee to assist in the political oversight of the budget process. This committee met regularly to review each step of the budget's development. It was this committee that made the major political decisions regarding policies, tariffs and funding issues.

Budget Development Overview

The 2012/13 budget process began in July 2011 with the development of a Budget Schedule. This schedule outlined the key steps, milestones and timetables for the budget process. The Mayoral Committee also reviewed and approved the 'Budget Preparation and Financial Guidelines' that list the assumptions, goals and roles and responsibilities used in preparing the new budget.

In August 2011 the Mayoral committee approved the budget preparation schedule and tabled that schedule to council.

During the months of September thru January 2011/12 the baseline budget was prepared using the approved guidelines and assumptions. Each directorate was given the opportunity to make changes within their operating budgets. Directorates were also requested to submit capital requests and supplemental operating requests on items such as personnel and new programs.

Concurrent with this process various committees were appointed to review and make recommendations on the municipalities various budget related policies.

At the end of February a first draft budget was prepared using all available data and in March this report was presented to the Mayoral Committee.

In February the mid year assessment was prepared and based on that report an adjustments budget is submitted today for approval by council.

In February and March 2012 a draft budget was presented to the Mayoral along with a list of recommendations for items such as tariff increases and miscellaneous items. This final budget was prepared in conformance with circular 59 from National Treasury and is now being tabled to the entire council on March 28, 2012.

After being tabled to the council, the budget and IDP documents will be submitted to the National and Provincial Treasuries and made available to the public at all libraries and in city offices as well as being placed on the municipality's website.

A formal consultation schedule was developed by the Administrative Services Directorate in conjunction with the Speaker. This schedule appears below.

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Consultation with stakeholders and outcomes

Will be published in the final budget

From this plan workshops will be held in every ward cluster within the municipality during the period April thru mid May. These consultative meetings will be attended by Mayoral Committee members, Ward Councillors, municipal officials and ward committee members. Both verbal and written submissions are encouraged at these meetings and will be recorded and maintained in the Administrative Services Directorate.

From these public consultations submissions are to be received and reviewed by the Mayor. Along with consultative inputs from the national and provincial treasuries, these submissions will subsequently be included in the final budget approved by council in May.

8. Alignment of Budget with Integrated Development Plan

Each year the IDP must be reviewed as required by the Municipal Systems Act and MFMA. It should be reviewed in terms of performance in achieving outcomes and outputs, since the current financial position and the future fiscal outlook for the municipality will have a direct bearing on delivery. The review should ensure that the plans are still within the financial capacity of Lukhanji. This section should give readers a good understanding of what is contained in the IDP and how that guides the allocations in the budget. The intention is not to attach the IDP as an annexure or to repeat everything in the IDP. However, it is critical that the user of the budget documentation obtains a good high-level overview of the IDP and be referred to the detailed IDP documentation.

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Vision

Lukhanji Municipality to be a municipality of choice, that seeks to work closely with its people to promote governance, economic growth and sustainable delivery of services.

Mission

To strive for financial and administrative stability while providing effective, affordable, sustainable integrated development in order to achieve socio economic upliftment, stability and growth.

Value

In addition to the Batho Pele principles, our municipality commits itself to upholding the following set of values:

- Good Governance
- Accountability
- Public Participation
- People Development
- Teamwork
- Integrity
- Tolerance
- Honesty
- Responsibility
- Trust

LUKHANJI KEY PRIORITIES (KPAs) FOR 2012/2017

Priorities as determined by the communities through the ward councilors and endorsed by the IDP Representative Forum

1. Infrastructure and Basic Services
 - Roads
 - Storm Water Drainage
 - Street lighting
 - Sanitation
2. Housing
 - Rectification of the RDP houses
3. Local Economic Development and job creation
 - Fencing of agricultural and grazing land
 - Tourism
 - SMME development
 - Irrigation schemes
4. Social And Recreational Facilities
 - Sports Facilities

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- Fencing facilities

5. Health

LUKHANJI DEVELOPMENT TARGETS FOR 2012/2017

GOOD GOVERNANCE + FINACIAL VIABILITY

- To achieve a clean audit by June 2014
- To improve turnaround time for completion of budget: adjustment , DRAFT 12/13 budget
- To improve turn around for dealing with disciplinary cases brought before the DC to less than 60 days from date of initial charges by end 2012.
- To have all our employees signing a pledge to anti-corruption programme by end of 2012.
- To develop clear policy for restorative justice processes and renaming

INSTITUTIONAL DEVELOPMENT & TRANSFORMATION

- To revise and automate and cascade performance management
- To adopt a HR retention strategy
- To adopt revised EEP with specific targets for women, youth and disabled in our top three levels of management
- To fill all critical budgeted vacancies in the organogram by June 2013
- To facilitate accredited training of officials and councilors
- To facilitate training and capacity building of all ward committees

LOCAL ECONOMIC DEVELOPMENT

- To improve Agric contribution to economy by between 1% and 2.5%
- To support Local Tourism Agency
- To adopt an Agriculture and Rural development plan
- To pilot Liberation Heritage Route at Sada and Ntabelanga/Bulhoek
- To develop a investment package by the end of 2012

SERVICE DELIVERY

- To ensure that 90% of our households have safe places to dispose of their refuse and waste by end 2012
- To facilitate construction of 2000 low cost houses with support from EC department of Housing
- To facilitate supply of electricity to 2%of households by June 2012
- To construct 50km of new gravel road network in our rural areas by December 2012
- To maintain and or upgrade at least 25km of road surface (Tarr + Gravel)
- To facilitate increase household access to water and sanitation services

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The tables contained in the following pages attempt to align the draft budget with the IDP.

8.2 – Table SA4 – Reconciliation of IDP strategic objectives and Budget – Revenue

8.3 – Table SA5 – Reconciliation of IDP strategic objectives and Budget – Operating Expenditure

8.4 – Table SA6 – Reconciliation of IDP strategic objectives and Budget – Capital Expenditure

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EC134 Lukhanji - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand												
Good Governance & Financial Viability	To achieve clean audit by 30 June 2014			111,770	149,555	194,515	142,318	142,142	142,142	167,446	180,616	196,269
Institutional Development & Transformation	Revise and automate and cascade performance management			274	349	-	308	308	308	-	-	-
Local Economic Development	Improve agicultural contribution to economy			7,534	16,218	1,303	2,810	2,544	2,544	3,627	4,427	4,627
Service Delivery	Ensure that 90% of households have safe places to dispose their refuse and waste			199,841	220,023	223,604	294,258	290,230	290,230	301,004	320,239	344,362
Allocations to other priorities				2								
Total Revenue (excluding capital transfers and contributions)			1	319,419	386,145	419,423	439,694	435,224	435,224	472,077	505,282	545,258

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EC134 Lukhanji - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand												
Good Governance & Financial Viability	To achieve clean audit by 30 June 2014			42,237	44,436	78,938	40,471	36,888	36,888	75,916	77,864	81,578
Institutional Development & Transformation	Revise and automate and cascade performance management			3,276	3,213	4,823	3,828	3,771	3,771	5,488	5,714	5,951
Local Economic Development	Improve agicultural contribution to economy			12,259	20,383	7,083	8,900	9,420	9,420	10,079	11,226	11,792
Service Delivery	Ensure that 90% of households have safe places to dispose their refuse and waste			238,476	282,263	290,579	386,494	385,145	385,145	378,761	408,620	443,831
Allocations to other priorities												
Total Expenditure			1	296,248	350,295	381,423	439,694	435,224	435,224	470,243	503,424	543,151

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EC134 Lukhanji - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand												
Good Governance & Financial Viability	To achieve clean audit by 30 June 2014	A		17,268	17,467	17,777	1,376	1,324	1,324			
Institutional Development & Transformation	Revise and automate and cascade performance management	B		-	-	-	-	-	-	-	-	-
Local Economic Development	Improve agricultural contribution to economy	C		1,062	577,012	571,874	1,744	1,482	1,482	1,606	1,694	1,792
Service Delivery	Ensure that 90% of households have safe places to dispose their refuse and waste	D		188,967	195,215	212,352	38,332	34,174	34,174	56,516	50,191	56,114
Allocations to other priorities			3									
Total Capital Expenditure			1	207,296	789,694	802,003	41,452	36,980	36,980	58,122	51,885	57,906

9 Budget Related Policies Overview and Amendments

The **detailed policies** are not included in the budget documentation, however they are available on request to councillors and are to be made publicly available when the budget is tabled for consultation, tabled for consideration of approval and finally approved.

This section attempts to give a **broad overview** of the budget policy framework and highlight the amended policies to be approved by council resolution.

Budget related policies include, but are not limited to:

- Revenue related policies (tariffs, credit control, revenue collection, indigents, etc)
- Free basic services including levels, households benefiting and cost
- Investment of funds, reserves, borrowing and cash management
- Supply chain management policy
- Adjustment budgets, and unforeseen and unavoidable expenditure

Revenue Related Policies

In 2007/08 the municipality approved several revised revenue related policies. These included a revised credit control and debt collection policy.

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Policies submitted for revision in with the 2010/11 tabled budget include :

Lukhanji Municipality Virement (Adjustment Budget) Policy
Lukhanji Municipality Arrangement Policy
Lukhanji Municipality Credit Control and Debt Collection policy

Credit Control and Debt Collection Policy

This policy lays out the framework and the principles by which the municipality deals with those citizens that either want to connect to the municipal services or fall into arrears on the municipal services for which they are provided service.

This policy sets out the application process, the billing process and the mechanism to be used when performing the debt collection function.

Free Basic Services

No revisions to free basic services are planned for this financial year. The free basic services policy is written in line with national directives and recommendations and states that those households registered as indigent within the municipality will receive 50kw of electricity and 10kl of water each month free of charge for the provision of basic service.

Investment of Funds, borrowing and cash management

In accordance with the MFMA, this past financial year the council adopted a 'cash and investment policy' setting out various principles and reporting requirements for the municipality's investments.

During 2007/08 a debt management policy that sets out the debt policy of the municipality was also adopted. This policy sets a framework for the municipality to use when considering the use of debt for a project. This policy also sets self imposed limits on both the total amount of debt that can be issued by the municipality and the amount required each year for annual debt servicing.

Supply Chain Management Policy

The MFMA required the municipality to adopt and implement a new supply chain policy by January 1st of 2006. The municipality met this deadline. We now have a detailed policy of council and a set of procedures to follow. The Supply Chain unit has been established within the Finance Directorate and is operating. The policy set limits for the various methods of procurement used within the municipality and delegated authority to implement the policy to the Accounting Officer as required in the MFMA.

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Unforeseen and Unavoidable Expenditure Policy

In accordance with the MFMA the council passed a policy to be used in the municipality when unforeseen and unavoidable expenditures become needed. This policy delegates certain powers and responsibilities onto the Mayor and Municipal Manager and requires all such expenditures to be tabled before council in an adjustment budget as soon as possible.

Adjustment budget Policy

A policy relating to adjustment budgets was adopted by council in during the 2006/07 budget process. This policy sets out the method and authority for proposing adjustments budgets to council during the financial year.

Debt Management Policy

A Debt Management Policy was adopted by council in 2007/08. This policy is meant to establish guidelines for the issuance, use of or budgeting of debt instruments within the municipality.

Write Off Policy

The municipality has many old and uncollectible accounts still within its active billing system.

This write off policy (adopted in 2007/08) establishes guidelines and authorization levels and criteria to be used when writing off those debtor accounts that are deemed uncollectible.

Arrangements Policy

This policy (adopted in 2007/08) creates the framework to guide staff in entering into arrangements for payment with municipal customers that have problems paying their accounts.

The policy differentiates between indigent, domestic and business type customers. The policy also basis repayment schedules based upon the income levels of households and sets guidelines to use when dealing with indigents.

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10 Budget Assumptions

Budgets are prepared in an environment of uncertainty. To prepare meaningful budgets, assumptions need to be made about internal and external factors that could influence the budget. Documentation of the assumptions used in preparing the budget assists understanding of the information. The section provides a comprehensive summary of all the assumptions used in preparing the budget.

Budget Assumptions Table 2012/13			
	Estimated 2012/13	Estimated 2013/14	Estimated 2014/15
1) General Inflation Factor	4.8%	5.3%	5.0%
2) Interest Rates:			
Borrowing	10.0%	10.0%	10.0%
Investing	6.0%	6.0%	6.0%
3) Increases - Rates and Tariffs:			
Growth Factor	1.0%	1.0%	1.0%
Rates	8.0%	5.0%	5.0%
Electricity	20.0%	5.0%	5.0%
Refuse	10.0%	10.0%	5.0%
Water	6.0%	6.0%	5.0%
Sanitation	6.0%	6.0%	5.0%
4) Tax Base Growth	0.0%	0.0%	0.0%
5) Billing Collection Rates:			
Rates	81.0%	81.0%	81.0%
Electricity	87.0%	87.0%	87.0%
Refuse	54.0%	54.0%	54.0%
Water	61.0%	61.0%	61.0%
Sanitation	71.0%	71.0%	71.0%
Debtor Interest	14.6%	14.6%	14.6%
6) Bulk Electricity Purchases			
Growth Factor	0.0%	0.0%	0.0%
Bulk Cost Increases	25.9%	15.0%	5.0%

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7) Salary Increases			
Salaries	7.0%	6.0%	6.0%
Overtime	6.5%	6.0%	6.0%
Contract Workers	4.0%	4.0%	4.0%
8) WSSA contract increase	5.0%	5.0%	5.0%
9) Equitable Share Allocation	106,129,000	113,038,000	120,385,000
10) Water/Sanitation Subsidy (from District)	46,935,370	49,282,138	51,746,245
12) Primary Health Clinics Allow.	-	-	-
13) Primary Health Clinics Deficit	-	-	-
14) ATIC Clinics Allow.	4,214,380	5,560,200	6,396,640
15) ATIC Clinic Deficit	-	-	-
16) Property Sales	-	-	-
17) Small Equipment Purchases	-	-	-
18) Change in # of Staff	-	-	-
19) New Capital Purchases (Fleet)	1,979,250	1,958,000	2,346,000
20) New Debt Payments (Fleet)	378,479	374,415	448,610
21) Library Allocation	3,180,279	3,180,279	3,180,279

General inflation outlook and its impact on the municipal activities

General inflationary pressure is expected to remain in the moderate range as per the National Treasury forecasts. We have used the guidelines as per circular 48, 51, 58 and 59 from National Treasury for the next three years when preparing this medium term budget

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Interest rates for borrowing and investment of funds

Based on historical trends and current market analysis we have used 10% as the base interest rate on all loans that we anticipate taking out over the medium term estimate. Investment income is calculated using a 6% rate for cash invested.

Rates, tariffs, charges and timing of revenue collection

The Lukhanji Municipality is still in the process of performing new valuations on property within the municipality. As a result of this, current valuations use property values sometimes dating back many years. Because of the uncertainty of when the new valuation roles will be completed we have conservatively used a zero percent increase in values for property. Rates are set to increase by 10% representing the CPIX.

A costing study was conducted in 2005/06 to assist the municipality in determining the 'total' direct and indirect cost of delivering the various services to the community. As a result of this study a new costing model was developed to distribute the indirect or 'administrative' costs incurred by the municipality. This new costing model is reflected in the proposed tariffs for the municipality this year.

Refuse charges are set to increase 7% this year. This is as a result of the service not breaking even or running at a loss. This will have to increase over a number of years to ensure that the service is fully funded.

Electrical service is dependent on bulk electric purchases from ESKOM. As a result of the 11% increase in the cost of bulk electricity, the tariffs charged to customers will increase this year by 28%. Indigent customers will be subsidized as follows:

0 – 50kw	free
51kw onwards	11% Increase

The municipality performs the water and sanitation services under an agency contract with the Chris Hani District Municipality. The district must approve all tariff increases relating to the water and sanitation function. A indication was received from Chris Hani District municipality to increase the water and sanitation tariff with 6% as well. We have also increased the outer years of this budget with 6%.

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Growth or decline in tax base of the municipality

The municipality has continued to experience challenges in completing the valuation of property within the municipality. For purposes of this budget the property valuations and methods of billing unvalued property remains the same as in 2010/11.

Until a new valuation roll can be presented for approval we are using a zero growth factor. The municipality will also need to take into account the valuation roll that will be available on April 2nd. Until then the municipality has budgeted for a flat rate that is currently levied on non rated properties. The municipality will not be in a position to balance the budget if valuations are to be implemented in all its areas as a result of the flat rate that will falling away and many properties could be exempted from paying rates. The impact on this will however only be known after the valuation roll is received and calculations are done.

Collection rates for each revenue source and customer type

(for more detail see section 15 – revenue by source and vote)

Collection of billed services continues to be problematic in many areas of the municipality. As a result of this the allowance for bad debts has been increased substantially over the past several years to more closely reflect the actual collection rate of municipal services. These lower collection rates continue to put upward pressure on service tariffs and will require a conscience effort to address in the future.

Collection rates for services that are billed to the community are usually very different than the amount actually billed for a particular service. This is the result of many different factors including consumer attitude, ability to pay and other issues. The municipality began a project plan last year to improve the collection of the various billed services thru a project management plan that addresses many different areas of the billing and collection cycle.

In addition, the credit control and debt collection policy was revised last year and a debtor's write off and arrangements policies were also added to the mix. The adoption of these policies is only one part of a multi prong approach to address this issue.

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Price movements on specifics e.g. bulk purchases of water and electricity, fuel etc

We have budgeted for a bulk price increase in 12/13 of 15.3% for purchases of bulk electricity for distribution and resale as per circular no. 48, 51, 58 and Circular 59. For the medium term we have projected 13.5% for 2013/14 and 25% for 2014/15 respectively.

Average salary increases

When we include councillor allowances, salaries and related expenses make up almost half of the operating budget. This salary related expenses are increased each year by bargaining agreements controlled by SALGA.

Salaries for municipal workers are projected to increase steadily over the medium term budget forecast. For 2012/13 salaries are projected to increase 5%, for 13/14 to 14/15 a projected 6.0% increase is also used.

11 Funding the Budget

Fiscal Overview

Over the past few years the Lukhanji Municipality has been working to reform its financial position and reporting systems to promote sustainability and conformance to the requirements of the MFMA.

Sustainability can mean many different things but at its core is the idea of financial stability and the ability to financially meet the obligations and commitments that are required to deliver the services within the community.

The MFMA requires many things from the municipality in this respect. Some of these items include: 1) Payment of all creditors within 30 days; 2) using only realistically expected actual revenues and non-committed cash surpluses to fund the budget; 3) discontinue the use of short term borrowing (bank overdraft) to fund operating expenses; and 4) ensuring that all required reserve funds are 'cash backed'.

Primarily from a cash point of view, Lukhanji has faced serious financial difficulties over the past few years. Lukhanji is not alone. Many local municipalities in South Africa are facing the same difficulties. The reasons for this situation are not simple and neither are the solutions. Over the past years the municipality has been required

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to take on large numbers of employees, a large borrowing debt and a large population that simply do not have the income to pay the rates and tariffs required.

These conditions have resulted in overall low collection rates for services billed, growing pressure on salaries to become a greater and greater portion of the operating budget and finally, cash strapped bank accounts. The past few years the municipality has ended each fiscal year with a large bank overdraft and large creditor balance. The MFMA will not allow this to continue. The municipality was mandated to eliminate this situation before the end of the 2007/08 financial year.

It is to this end the municipality has continued to focus its attention toward the past few years. Prudent budgeting and some hard decision making has allowed this goal to become a reality. The municipality will end 2012/13 with enough cash at the end of the financial year to pay all of its creditors. This, however, must not be the end.

The municipality must strengthen its credit control and debt collection efforts. We must evaluate every area of operations and ask ourselves if we are doing things in the most efficient and effective way. We must make sure that those organs of state for which we supply agency functions pay for those functions in their entirety so that local Rand can be used to pay for the local services that we are required to perform.

Probably most important, we must be willing to change. We cannot continue to do things the way that we always have done them in the past.

New challenges always bring with them new opportunities. We must find those opportunities that present themselves and use them to better our municipality.

Funded versus a Balanced budget: Table SA 10

The implementation of the MFMA changes the perspective of the budget from a 'funds' perspective where the emphasis is on balancing funds going out to funds coming in to a more dynamic accounting perspective.

This new perspective requires us to analyse the budget from several viewpoints to ensure that the budget is indeed balanced in accordance with the MFMA. The MFMA requires in section 18 that the budget be funded using only 'realistically' anticipated revenues to be collected and cash backed accumulated funds that are not committed to other purposes. Borrowed funds can only be used to fund capital budget items in accordance with MFMA requirements.

Although we show revenues on an accrual basis we must ensure that revenues used to fund the budget are realistically anticipated to be collected.

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To be credible the budget must be consistent with the IDP and be achievable in terms of service delivery and performance targets. Credible budgets have realistic revenue and expenditure projections and the implementation of it improves the financial viability of the municipality.

The municipality has followed these principles and the directions put forth in NT circulars 41 and 42 concerning both the budget process and funding of a municipal budget.

We have made full disclosure on all revenues using accrual methods and all cash that is available has been shown where it is legally committed to be spent.

Cash flow for the 2012/13 budget year reflects that cash receipts for the year will be sufficient to place a small surplus into working operating capital.

EC134 Lukhanji Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	73,374	108,029	125,000	146,331	194,018	194,018	194,018	168,119	156,036	144,395
Cash + investments at the yr end less applications - R'000	18(1)b	2	152,177	103,818	221,595	244,574	321,219	321,219	321,219	271,441	277,796	284,621
Cash year end/monthly employee/supplier payments	18(1)b	3	3.2	4.2	4.3	4.3	5.8	5.8	5.8	4.7	4.0	3.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	23,171	35,850	37,999	0	-	-	-	1,833	1,857	2,106
Service charge rev % change - macro CPIIX target exclusive	18(1)a,(2)	5	N.A.	10.5%	13.1%	12.1%	(9.8%)	(6.0%)	(6.0%)	4.2%	3.5%	3.2%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	78.3%	26.5%	58.0%	81.2%	101.9%	101.9%	101.9%	73.8%	73.7%	73.6%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	27.2%	32.5%	35.9%	30.5%	28.6%	28.6%	28.6%	33.4%	33.1%	32.9%
Capital payments % of capital expenditure	18(1)c,19	8	0.0%	3.2%	3.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								296.3%	291.4%	275.1%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	45.6%	1.8%	(2.1%)	2.1%	0.0%	0.0%	8.7%	2.0%	2.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	2.2%	1.3%	1.2%	4.8%	2.1%	2.1%	1.8%	1.7%	1.6%	1.5%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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11.2 – Financial Indicators – Table SA 8

The municipality is in the process of developing useful performance indicators that will be both meaningful and useful for detecting financial problems and trends that need to be investigated. These indicators are not available at this time but will be made public once finalized.

EC134 Lukhanji - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.1%	2.1%	0.5%	2.8%	1.3%	1.3%	1.3%	1.9%	0.5%	0.4%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.8%	2.8%	0.6%	3.7%	1.7%	1.7%	1.7%	2.5%	0.6%	0.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	1.9	1.9	2.4	2.3	2.2	2.2	2.2	2.4	2.5	2.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.9	1.9	2.4	2.3	2.2	2.2	2.2	2.4	2.5	2.6
Liquidity Ratio	Monetary Assets/Current Liabilities	0.6	0.6	0.9	0.6	0.8	0.8	0.8	0.8	0.8	0.8
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		78.3%	26.5%	58.0%	81.2%	101.9%	101.9%	101.9%	73.8%	73.7%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			78.3%	26.5%	58.0%	81.2%	101.9%	101.9%	101.9%	73.8%	73.7%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	48.6%	58.6%	54.9%	51.3%	52.9%	52.9%	52.9%	53.0%	50.5%	47.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		26.6%	26.0%	17.3%	6.5%	11.8%	11.8%	11.8%	10.7%	8.3%	5.5%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	32.0%	31.0%	30.0%					30.0%	30.0%	30.0%
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source										
Employee costs	Employee costs/(Total Revenue - capital revenue)	27.3%	22.9%	23.4%	24.9%	24.6%	24.6%	24.6%	25.3%	24.8%	24.0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	28.9%	25.9%	27.1%	29.0%	28.4%	28.4%		29.9%	29.2%	28.4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	1.4%	2.3%	2.1%	2.3%	3.5%	3.5%		2.7%	2.6%	2.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.6%	2.8%	3.9%	1.6%	1.3%	1.3%	1.3%	1.0%	0.3%	0.2%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	7.7	17.8	29.9	159.8	159.8	159.8	34.8	57.0	61.4	66.1
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	101.5%	127.1%	108.7%	90.3%	95.4%	95.4%	95.4%	94.1%	87.8%	82.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.2	4.2	4.3	4.3	5.8	5.8	5.8	4.7	4.0	3.4

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Sources of Funding

11.3 - Rates, tariffs and other charges

The detailed listings of all of the proposed tariffs and rates for the 2012/13 financial year are contained in **appendix A**. In this section we will highlight only the major changes proposed. We will concentrate on the four major tariffs of the municipality along with the property rates.

These five revenue sources will account for an almost R261.9 million in billed revenue for the municipality in 2012/13 and will account for an estimated R195.9 million in actual cash collection. The breakdown is as follows:

Item	Billed (000's)	Cash (000's)
• Property Rates	49,059	42,781
• Electricity	148,987	114,255
• Water	27,381	17,117
• Wastewater	15,585	10,515
• Refuse Collection	20,913	11,308
• Total	<u>261,925</u>	<u>195,976</u>

Property Rates

The municipality still faces the challenges regarding valuations done by the service provider. Currently the municipality is trying to obtain solutions from the service provider regarding incorrect valuations as well properties not correctly identified in the valuation roll. This will hopefully be resolved in due course to enable the municipality to raise its rates correctly on 1 July 2012.

As shown in appendix A levied rates are proposed to be increased by **10%** this budget year.

Electricity Tariffs

The single largest revenue source for the municipality is the electricity tariff (R148.9 million next year). It is also the source of the single largest expenditure – bulk electricity purchases (budgeted at R141.6 million next year).

The vast majority of domestic users of the municipal electrical distribution system are using a 'pre-paid' meter system. Using this system the municipality is able to collect the tariff charge 'up front' and eliminate all bad debts associated with these customers. This is the reason that the collection rate

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from the electricity tariff is so high compared to other tariffs that are billed in the conventional way.

Some 3199 customers (including domestic, commercial and industrial) are billed via a conventional meter. As can be seen in the rates listed in appendix A the charge to these customers is broken down into several components including fixed component and several usage based components.

The initial tariff increase put forth in the budget for electricity is **11%**.

Water and Wastewater Tariffs

Lukhanji delivers water and wastewater services in the capacity of an agent of the Chris Hani District Municipality. As such, the budget and any tariff increases are to be done in consultation with the district.

As of this time we are requesting a **6%** increase in both water and sanitation rates.

Currently the wastewater tariffs are billed to customers with water borne sewer connections based on the number of sewer connection points. Households are assumed and only charged for one connection point while commercial and industrial users are billed for the actual number of points that they have. Wastewater is an annual charge and may be paid annually or in monthly instalments if the rates and taxes of the relevant erf are also paid in monthly instalments.

Water is billed monthly based on usage with higher usage resulting in a higher charge. An availability charge is payable on all property where a connection to the water network is possible but not utilized.

All current/proposed water and wastewater tariffs are listed in appendix A.

Refuse Collection

Refuse collection tariffs are 'use based' fees that are based on factors such as the category of the customer and the number of removals required.

For 2012/13 a **7%** increase in refuse tariffs across the board is scheduled. The tariff could be reduced this year as a result of the service being breaking even after the previous increases.

The listing of proposed refuse tariffs is included in appendix A.

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11.4 - Savings and efficiencies

The budget must be fully funded and be able to fund the required reserves with cash per the MFMA. To meet this goal the municipality will need to continue to find savings and operating efficiencies in municipal operations. Currently the municipality has to place constraints on the expenditure accounts in certain areas of operation. The municipality also has plans to investigate the elimination of certain areas and operations that are not core functions of the municipality.

Other areas of operations being examined include; the implementation of the credit control and debt collection policy of the municipality; and addressing a major issue concerning a tremendous amount of extremely old and very difficult to collect debtors on the active billing system. The old hard to collect accounts in this billing system need to be purged and 'cleaned' to a separate collection system that is then contracted out to the private sector for processing. This will allow the limited staff to focus on more current debtors; those with a higher likelihood of collection.

11.5 - Investments – cash backed accumulated surplus

This section documents particulars of existing investments and predicted levels of investments based on future strategies. The portfolio of investments should also be compliant with the MFMA, regulations and investment framework.

The following tables are included to show details concerning the municipality's investments.

11.6 - Table SA15 – Investments Particulars by Type

11.7 - Table SA16 – Investments Particulars by Maturity

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EC134 Lukhanji - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
Parent municipality										
Securities - National Government	1									
Listed Corporate Bonds										
Deposits - Bank		707	733	225	707	97,946	97,946	97,946	97,946	97,946
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total		707	733	225	707	97,946	97,946	97,946	97,946	97,946
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		707	733	225	707	97,946	97,946	97,946	97,946	97,946

EC134 Lukhanji - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Monetary value	Interest to be realised
		Yrs/Months								Rand thousand	
Parent municipality											
ABSA BANK		Call	CALL ACCOUNTS		Variable		0	0		97,946	5,791
Municipality sub-total										97,946	5,791
TOTAL INVESTMENTS AND INTEREST	1									97,946	5,791

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11.8 - Grant allocations

The following is a listing of grants included within the budget and a brief description of each.

MUNICIPAL INFRASTRUCTURE GRANT

This fund is allocated to municipalities to supplement municipal capital budgets to eradicate backlogs in municipal infrastructure, as well as the rehabilitation and renewal of municipal infrastructure. Conditions to the grant is to prioritise residential infrastructure for water, sanitation, refuse removal, street lighting, solid waste, connector and bulk infrastructure, and other municipal infrastructure like roads in line with the MIG policy framework. Municipalities must adhere to the labour intensive construction method and must report to DPLG in terms of the Division of Revenue Act on progress.

NATIONAL ELECTRIFICATION PROGRAMME

This fund is allocated to municipalities to provide capital subsidies to address the electrification backlog of permanently occupied residential dwellings, the installation of bulk infrastructure and rehabilitation of electrification infrastructure.

Conditions include that the amounts must be accounted for through regular reporting, all benefits must be passed to end users, ring fence the electricity function, safely operate and maintain the infrastructure and also adhere to the labour intensive construction method.

MUNICIPAL SYSTEM IMPROVEMENT PROGRAMME

This grant is allocated to assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance system as required in the Local Government Municipal Systems Act of 2000.

Conditions include that a activity plan must be submitted in the prescribed format with detail budgets and timeframes. Submission of monthly expenditure reports in accordance of the Division of the Revenue Act.

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LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

This grant is allocated to promote and support reforms to financial management and the implementation of the Municipal Finance Management Act.

Conditions include submission of council resolution striving to achieve multi-year budgets, accounting and reporting reforms. The employment of a skilled chief financial officer and promotion of internship programme in financial management and ongoing review, revision and submission of implementation plans to address weaknesses in financial management.

LOCAL GOVERNMENT SUPPORT GRANT

This grant is allocated to strengthen the capacity of municipalities, integrated planning and good governance, facilitate land and Infrastructure development and promotion of sustainable local economic and rural development as well as free basic services.

Conditions include proper utilization of the funds for which it is allocated and regular reporting in terms of the Division of Revenue Act.

11.9 -Table SA 18 - Transfers and grant receipts

Table SA 19 - Expenditure on transfers and grant programme

**Table SA 20 - Reconciliation of transfers, grant receipts and unspent
Funds**

The table on the following page gives a detail listing of the allocations that the municipality anticipates receiving.

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EC134 Lukhanji - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		53,732	70,964	87,550	99,676	99,676	99,676	116,354	122,532	133,041
Local Government Equitable Share		53,732	70,964	86,908	96,062	96,062	96,062	109,210	117,362	127,591
Finance Management					1,500	1,500	1,500	1,500	1,500	1,500
Municipal Systems Improvement					790	790	790	800	870	950
EPWP Incentive				642	324	324	324	2,844		
Integrated National Electrification Programme					1,000	1,000	1,000			
Infrastructure Skills Development								2,000	2,800	3,000
Provincial Government:		7,786	10,422	6,581	4,531	3,798	3,798	2,712	2,728	2,745
Health subsidy		6,688	7,871	6,776	733					
Aticc		824	1,466	(195)	3,490	3,490	3,490	2,712	2,728	2,745
Seta Funds		274	385		308	308	308			
IEC			700							
District Municipality:		20,448	33,979	32,505	43,371	38,179	38,179	36,145	36,825	37,507
Water and Sanitation Provider		18,024	33,979	32,505	43,371	38,179	38,179	32,717	33,237	33,751
Library Subsidy		2,424				-	-	3,428	3,588	3,756
Total operating expenditure of Transfers and Grants:		81,966	115,365	126,636	147,578	141,653	141,653	155,211	162,085	173,293
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		-	-	-	29,980	29,980	29,980	32,122	36,885	42,906
Municipal Infrastructure Grant (MIG)					26,480	26,480	26,480	32,122	33,885	35,844
Rural Households Infrastructure					3,500	3,500	3,500			
Neighbourhood Development Partnership									3,000	7,062
Total capital expenditure of Transfers and Grants		-	-	-	29,980	29,980	29,980	32,122	36,885	42,906
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		81,966	115,365	126,636	177,558	171,633	171,633	187,333	198,970	216,199

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EC134 Lukhanji - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		54,967	72,699	89,550	99,676	99,676	99,676	116,354	122,532	133,041
Local Government Equitable Share		53,732	70,964	86,908	96,062	96,062	96,062	109,210	117,362	127,591
Finance Management		500	1,000	1,250	1,500	1,500	1,500	1,500	1,500	1,500
Municipal Systems Improvement		735	735	750	790	790	790	800	870	950
EPWP Incentive				642	324	324	324	2,844		
Integrated National Electrification Programme					1,000	1,000	1,000			
Infrastructure Skills Development								2,000	2,800	3,000
Provincial Government:		7,786	10,422	6,581	4,531	3,798	3,798	2,712	2,728	2,745
Health subsidy		6,688	7,871	6,776	733					
Aticc		824	1,466	(195)	3,490	3,490	3,490	2,712	2,728	2,745
Seta Funds		274	385		308	308	308			
IEC			700							
District Municipality:		20,448	33,979	32,505	43,371	38,179	38,179	36,145	36,825	37,507
Water and Sanitation Provider		18,024	33,979	32,505	43,371	38,179	38,179	32,717	33,237	33,751
Library Subsidy		2,424				-	-	3,428	3,588	3,756
Total Operating Transfers and Grants	5	83,201	117,100	128,636	147,578	141,653	141,653	155,211	162,085	173,293
<u>Capital Transfers and Grants</u>										
National Government:		21,009	27,896	6,980	29,980	29,980	29,980	32,122	36,885	42,906
Municipal Infrastructure Grant (MIG)		21,009	27,896	5,980	26,480	26,480	26,480	32,122	33,885	35,844
Rural Households Infrastructure				1,000	3,500	3,500	3,500			
Neighbourhood Development Partnership									3,000	7,062
Total Capital Transfers and Grants	5	21,009	27,896	6,980	29,980	29,980	29,980	32,122	36,885	42,906
TOTAL RECEIPTS OF TRANSFERS & GRANTS		104,210	144,997	135,616	177,558	171,633	171,633	187,333	198,970	216,199

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EC134 Lukhanji - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year					1,936	1,936	1,936			
Current year receipts					99,318	99,448	99,448	116,354	122,532	133,041
Conditions met - transferred to revenue		-	-	-	101,254	101,384	101,384	116,354	122,532	133,041
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year					1,949	1,949	1,949			
Current year receipts					2,659	5,576	5,576			
Conditions met - transferred to revenue		-	-	-	4,609	7,525	7,525	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year					36	36	36			
Current year receipts										
Conditions met - transferred to revenue		-	-	-	36	36	36	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		-	-	-	105,899	108,945	108,945	116,354	122,532	133,041
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year					5,984	5,984	5,984			
Current year receipts					26,480	27,480	27,480	32,122	36,885	42,906
Conditions met - transferred to revenue		-	-	-	32,464	33,464	33,464	32,122	36,885	42,906
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year					3,646	3,646	3,646			
Current year receipts										
Conditions met - transferred to revenue		-	-	-	3,646	3,646	3,646	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year					633	633	633			
Current year receipts										
Conditions met - transferred to revenue		-	-	-	633	633	633	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year					3,709	3,709	3,709			
Current year receipts										
Conditions met - transferred to revenue		-	-	-	3,709	3,709	3,709	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		-	-	-	40,452	41,452	41,452	32,122	36,885	42,906
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		-	-	-	146,351	150,397	150,397	148,476	159,417	175,947
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

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11.10 - Contributions and donations

Municipalities must budget for anticipated contributions and or donations. These could be in the form of cash or in kind. An example of an in kind contribution is infrastructure assets donated to the municipality free of charge by a developer as part of a residential development scheme. Municipalities must consider the financial and service delivery consequences of receiving contributions and donations. For example, the receipt of an infrastructure asset will require ongoing repairs and maintenance of the asset to maintain agreed service levels and standards. The revenue implications should also be considered. In the above example of a new residential development there should also be new rates and taxes on the new residential properties. Whether the new rates and taxes etc are set at levels sufficient to cover the ongoing costs of the new infrastructure is a policy decision for the council.

The municipality anticipates **no contributions and or donations** for the coming budget years.

11.11 - Sale of assets

All disposals of municipal assets is controlled by requirements put forth in the MFMA. Lukhanji anticipate selling of certain portions of surplus vacant land this financial year. The revenue from this will be utilized for once off maintenance to properties and the cost thereof has been budgeted.

11.12 - Carry over

Provision for the carryover of cash from unfinished programs and projects from the 2011/12 financial year to the 2012/13 financial year will be included in the final budget presented for approval. These funds were allocated to a specific purpose in previous financial years but for a variety of reasons the project will not be completed by the end of the financial year.

The following table lists the anticipated cash from operational and capital grant projects that is projected to be brought forward to the new budget year.

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TO BE INCLUDED IN THE FINAL BUDGET DOCUMENT FOR APPROVAL.

11.13 - Proposed Future Revenue Sources

Each year when preparing the budget, thought should be given to proposed future revenue sources that could be introduced. This section will highlight these, their potential impact on future budgets and any potential issues.

The largest single potential revenue source for the municipality is the collection of billed tariffs and rates. In addition, the completion of the valuation of property within the municipality is critical to the financial future.

Both of these items will be given top priority in the coming financial year in hopes of development strategies and plans to implement improvements in the future.

11.14 - Borrowing

Lukhanji Municipality is not anticipating taking up any loans for the 2012/2013 financial year.

11.15 - TABLE SA17 - New Borrowing

The table on the following page outlines anticipated payments to borrowings for the year.

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EC134 Lukhanji - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
<u>Parent municipality</u>										
Long-Term Loans (non-annuity)		4,428	2,500	2,134		2,134	2,134	571	359	125
Financial Leases		7,376	4,996	4,772	1,523	4,772	4,772	2,133	1,307	503
Municipality sub-total	1	11,803	7,496	6,906	1,523	6,906	6,906	2,704	1,666	628
Total Borrowing	1	11,803	7,496	6,906	1,523	6,906	6,906	2,704	1,666	628

Unspent Borrowing - Categorised by type										
<u>Parent municipality</u>										
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

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12. - Table SA 21 - Disclosure on Allocations Made by the Municipality

The municipality currently does not make any allocations to other municipalities so this table is not included.

EC134 Lukhanji - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
Cash Transfers to Groups of Individuals											
<i>Insert description</i>	5	39,965	28,738	6,268	480	9,618	9,618	9,618	4,300	5,170	5,450
Total Cash Transfers To Groups Of Individuals:		39,965	28,738	6,268	480	9,618	9,618	9,618	4,300	5,170	5,450
TOTAL CASH TRANSFERS AND GRANTS	6	39,965	28,738	6,268	480	9,618	9,618	9,618	4,300	5,170	5,450
TOTAL TRANSFERS AND GRANTS	6	39,965	28,738	6,268	480	9,618	9,618	9,618	4,300	5,170	5,450

13 Disclosure on Salaries, Allowances and Benefits

The tables on the following pages give the required listings of salaries, Allowances, and personnel as required by the MFMA.

13.1 - TABLE SA23 - Salaries, Allowances and Benefits (Political Office bearers/councillors/senior managers)

13.2 - TABLE SA22 - Summary of councillor and staff benefits

13.3 - TABLE SA24 - Summary of Personnel Numbers

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EC134 Lukhanji - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Rand per annum								
Councillors	3							
Speaker	4	1	385,494		148,280			533,774
Chief Whip		1	361,401		140,249			501,649
Executive Mayor		1	481,867		180,405			662,272
Deputy Executive Mayor								-
Executive Committee			2,529,804		981,740			3,511,544
Total for all other councillors			6,360,354		1,410,023			7,770,377
Total Councillors	8	3	10,118,919	-	2,860,696			12,979,615
Senior Managers of the Municipality	5							
Municipal Manager (MM)		1	635,235	160,890	83,316	73,287		952,728
Chief Finance Officer		1	740,275			61,690		801,965
Director - Human Settlements		1	509,477	142,659	93,136	62,106		807,378
Director - Technical Services		1	685,272		60,000	62,106		807,378
Director - Community Services		1	600,372	144,900		62,106		807,378
Director - Corporate & Human Resources		1	497,425	32,232	42,000	47,638		619,295
List of each official with packages >= senior manager								
Strategic Manager		1	527,610	142,011	83,316	62,745		815,682
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total Senior Managers of the Municipality	8	7	4,195,666	622,692	361,768	431,678		5,611,804
A Heading for Each Entity	6,7							
List each member of board by designation								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total for municipal entities	8	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION		10	14,314,585	622,692	3,222,464	431,678		18,591,419

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EC134 Lukhanji - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration		Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
			A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)											
Basic Salaries and Wages		1	10,335	11,225	12,255	12,369	13,109	13,109	10,119	10,625	11,156
Pension and UIF Contributions											
Medical Aid Contributions											
Motor Vehicle Allowance									3,373	3,542	3,719
Cellphone Allowance									741	778	816
Housing Allowances											
Other benefits and allowances											
Sub Total - Councillors		4	10,335	11,225	12,255	12,369	13,109	13,109	14,232	14,944	15,691
% Increase				8.6%	9.2%	0.9%	6.0%	—	8.6%	5.0%	5.0%
Senior Managers of the Municipality											
Basic Salaries and Wages		2		2,521	2,730	3,995	3,995	3,995	4,195	4,405	4,625
Pension and UIF Contributions			316	460	422	443	443	443	465	488	512
Medical Aid Contributions			96	183	137	160	160	160	168	177	186
Overtime											
Performance Bonus			274	319	326	411	411	411	432	453	476
Motor Vehicle Allowance		3	431	448	379	316	316	316	332	332	332
Cellphone Allowance		3									
Housing Allowances		3									
Other benefits and allowances		3	34	29	23	19	19	19	20	20	20
Payments in lieu of leave			152	15	12						
Long service awards											
Post-retirement benefit obligations		6									
Sub Total - Senior Managers of Municipality		4	1,303	3,976	4,029	5,345	5,345	5,345	5,612	5,875	6,151
% Increase				205.1%	1.3%	32.6%	—	—	5.0%	4.7%	4.7%
Other Municipal Staff											
Basic Salaries and Wages			51,020	55,732	63,642	67,855	66,057	66,057	80,639	84,545	88,641
Pension and UIF Contributions			7,063	7,823	10,714	11,621	10,627	10,627	13,313	13,978	14,677
Medical Aid Contributions			11,728	8,451	7,695	8,618	8,083	8,083	8,635	9,067	9,520
Overtime			4,335	4,496	4,981	3,778	5,062	5,062	5,487	5,761	6,049
Performance Bonus			3,340	3,723	4,062	5,309	5,445	5,445	5,881	6,175	6,483
Motor Vehicle Allowance		3	2,220	2,538	2,527	3,442	2,843	2,843	2,780	2,780	2,780
Cellphone Allowance		3	24	16	17	13	13	13	7	7	7
Housing Allowances		3	320	250	213	232	263	263	190	190	190
Other benefits and allowances		3	627	1,345	2,957	8,501	6,087	6,087	4,303	4,369	4,438
Payments in lieu of leave											
Long service awards			69	325	486	435	851	851	—	—	—
Post-retirement benefit obligations		6									
Sub Total - Other Municipal Staff		4	80,746	84,699	97,294	109,803	105,330	105,330	121,234	126,871	132,786
% Increase				4.9%	14.9%	12.9%	(4.1%)	—	15.1%	4.7%	4.7%
Total Parent Municipality			92,384	99,900	113,578	127,517	123,783	123,783	141,078	147,690	154,628
				8.1%	13.7%	12.3%	(2.9%)	—	14.0%	4.7%	4.7%
Board Members of Entities											
Basic Salaries and Wages											
Pension and UIF Contributions											
Medical Aid Contributions											
Overtime											
Performance Bonus											
Motor Vehicle Allowance		3									
Cellphone Allowance		3									
Housing Allowances		3									
Other benefits and allowances		3									
Board Fees											
Payments in lieu of leave											
Long service awards											
Post-retirement benefit obligations		6									
Sub Total - Board Members of Entities		4	—	—	—	—	—	—	—	—	—
% Increase				—	—	—	—	—	—	—	—
Senior Managers of Entities											
Basic Salaries and Wages											
Pension and UIF Contributions											
Medical Aid Contributions											
Overtime											
Performance Bonus											
Motor Vehicle Allowance		3									
Cellphone Allowance		3									
Housing Allowances		3									
Other benefits and allowances		3									
Payments in lieu of leave											
Long service awards											
Post-retirement benefit obligations		6									
Sub Total - Senior Managers of Entities		4	—	—	—	—	—	—	—	—	—
% Increase				—	—	—	—	—	—	—	—
Other Staff of Entities											
Basic Salaries and Wages											
Pension and UIF Contributions											
Medical Aid Contributions											
Overtime											
Performance Bonus											
Motor Vehicle Allowance		3									
Cellphone Allowance		3									
Housing Allowances		3									
Other benefits and allowances		3									
Payments in lieu of leave											
Long service awards											
Post-retirement benefit obligations		6									
Sub Total - Other Staff of Entities		4	—	—	—	—	—	—	—	—	—
% Increase				—	—	—	—	—	—	—	—
Total Municipal Entities			—	—	—	—	—	—	—	—	—
TOTAL SALARY, ALLOWANCES & BENEFITS			92,384	99,900	113,578	127,517	123,783	123,783	141,078	147,690	154,628
% Increase		4		8.1%	13.7%	12.3%	(2.9%)	—	14.0%	4.7%	4.7%
TOTAL MANAGERS AND STAFF		5	82,050	88,675	101,323	115,148	110,675	110,675	126,845	132,746	138,937

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EC134 Lukhanji - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2010/11			Current Year 2011/12			Budget Year 2012/13		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		53			54	54		54	54	
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	8		8	8		8	9		9
Other Managers	7	3		3	3		3	2		2
Professionals		575	575	–	575	575	–	588	574	14
<i>Finance</i>		54	54		54	54		60	58	2
<i>Spatial/town planning</i>		54	54		54	54		43	42	1
<i>Information Technology</i>		3	3		3	3		4	4	
<i>Roads</i>		26	26		26	26		40	40	
<i>Electricity</i>		35	35		35	35		43	43	
<i>Water</i>		14	14		14	14		20	10	10
<i>Sanitation</i>		22	22		22	22		25	24	1
<i>Refuse</i>		95	95		95	95		121	121	
<i>Other</i>		272	272		272	272		232	232	
Technicians		–	–	–	–	–	–	–	–	–
<i>Finance</i>										
<i>Spatial/town planning</i>										
<i>Information Technology</i>										
<i>Roads</i>										
<i>Electricity</i>										
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>										
Clerks (Clerical and administrative)		55	47	8	55	47	8	55	47	8
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
TOTAL PERSONNEL NUMBERS		694	622	19	695	676	19	708	675	33
% increase					0.1%	8.7%	–	1.9%	(0.1%)	73.7%
Total municipal employees headcount	6									
Finance personnel headcount	8									
Human Resources personnel headcount	8									

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- 14 Table SA 25 - Budgeted monthly revenue and expenditure**
Table SA 26 - Budgeted monthly revenue and expenditure
(Municipal Vote)
Table SA 27 - Budgeted monthly revenue and expenditure
(Standard Classification)
Table SA 28 - Budgeted monthly capital expenditure
(Municipal Vote)
Table SA 29 - Budgeted monthly capital expenditure
(Standard Classification)
Table SA 30 - Budgeted Monthly cash flow

The table on the following pages presents a monthly cash flow for the municipality over the next financial year.

Lukhanji Tabled Draft Budget

EC134 Lukhanji - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source																
Property rates		3,260	4,847	5,580	3,440	2,686	5,144	2,301	3,007	6,186	2,957	2,314	7,336	49,059	52,984	57,223
Property rates - penalties & collection charges																
Service charges - electricity revenue		9,501	10,298	10,952	9,857	8,992	9,122	8,937	10,110	7,878	10,259	9,906	44,015	149,827	166,325	183,824
Service charges - water revenue		1,408	2,060	1,460	1,603	1,287	1,457	1,519	1,346	1,233	1,504	1,399	11,426	27,701	29,618	31,668
Service charges - sanitation revenue		1,060	1,624	1,022	1,177	744	910	704	909	558	756	687	5,668	15,820	16,911	18,079
Service charges - refuse revenue		991	1,404	1,023	979	796	941	917	1,101	741	958	938	10,124	20,913	22,377	23,944
Service charges - other																
Rental of facilities and equipment		42	42	42	42	42	42	42	42	42	42	42	2,059	2,519	2,519	2,519
Interest earned - external investments		433	433	433	433	433	433	433	433	433	433	433	433	5,200	5,200	5,200
Interest earned - outstanding debtors		129	188	319	156	113	237	89	198	108	121	110	24,877	26,645	28,658	30,825
Dividends received																
Fines		67	67	67	67	67	67	67	67	67	67	67	67	801	801	801
Licences and permits		351	351	351	351	351	351	351	351	351	351	351	351	4,208	4,208	4,208
Agency services		292	11,197	292	292	11,197	292	292	11,197	292	292	6,431	292	42,357	43,053	43,752
Transfers recognised - operational		237	237	237	39,441	237	237	237	27,539	237	237	237	47,241	116,354	122,532	133,041
Other revenue		840	840	840	840	840	840	840	840	840	840	840	1,428	10,673	10,095	10,175
Gains on disposal of PPE																
Total Revenue (excluding capital transfers and contribution)		18,611	33,588	22,619	58,677	27,785	20,073	16,729	57,142	18,966	18,816	23,755	155,317	472,077	505,282	545,258
Expenditure By Type																
Employee related costs		9,851	9,851	9,851	9,851	10,376	9,851	9,851	9,851	9,851	9,851	9,851	10,571	119,454	125,127	131,080
Remuneration of councillors		1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	16,732	17,444	18,191
Debt impairment													88,847	88,847	96,296	104,386
Depreciation & asset impairment																
Finance charges		397	397	397	400	400	400	400	400	400	400	400	400	4,791	1,265	1,162
Bulk purchases		17,894	18,650	14,679	9,477	9,802	9,317	8,944	9,457	8,901	9,514	9,968	15,258	141,860	160,977	182,676
Other materials																
Contracted services		210	210	210	210	210	210	210	210	210	210	210	34,556	36,862	38,557	40,337
Transfers and grants													4,300	4,300	5,170	5,450
Other expenditure		7,951	7,211	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	(26,163)	57,397	58,587	59,870
Loss on disposal of PPE																
Total Expenditure		37,697	37,713	34,130	28,932	29,781	28,771	28,398	28,911	28,356	28,968	29,423	129,162	470,243	503,424	543,151
Surplus/(Deficit)		(19,087)	(4,125)	(11,512)	29,745	(1,996)	(8,699)	(11,669)	28,230	(9,390)	(10,152)	(5,668)	26,154	1,833	1,857	2,106
Transfers recognised - capital																
Contributions recognised - capital																
Contributed assets																
Surplus/(Deficit) after capital transfers & contributions		(19,087)	(4,125)	(11,512)	29,745	(1,996)	(8,699)	(11,669)	28,230	(9,390)	(10,152)	(5,668)	26,154	1,833	1,857	2,106
Taxation																
Attributable to minorities																
Share of surplus/ (deficit) of associate																
Surplus/(Deficit)	1	(19,087)	(4,125)	(11,512)	29,745	(1,996)	(8,699)	(11,669)	28,230	(9,390)	(10,152)	(5,668)	26,154	1,833	1,857	2,106

Lukhanji Tabled Draft Budget

EC134 Lukhanji - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand																
<u>Revenue by Vote</u>																
Vote 1 - EXECUTIVE AND COUNCIL		38,309	0	0	0	31,448	0	0	0	22,985	0	0	348	93,094	101,316	111,625
Vote 2 - FINANCE AND ADMINISTRATION		5,677	3,763	5,378	6,174	5,194	3,181	5,699	2,785	4,471	6,679	3,456	21,896	74,352	79,300	84,644
Vote 3 - PLANNING AND DEVELOPMENT		135	135	135	135	2,135	135	135	135	135	135	135	139	3,627	4,427	4,627
Vote 4 - HEALTH		-	-	-	-	-	-	-	-	-	-	-	2,712	2,712	2,728	2,745
Vote 5 - COMMUNITY AND SOCIAL SERVICES		127	127	127	127	127	127	127	127	127	127	127	3,558	4,952	5,112	5,280
Vote 6 - PUBLIC SAFETY		877	877	877	877	877	877	877	877	877	877	877	1,015	10,660	10,528	10,535
Vote 7 - SPORT AND RECREATION		42	42	42	42	42	42	42	42	42	42	42	57	516	238	238
Vote 8 - WASTE WATER MANAGEMENT		654	1,074	1,647	1,065	1,195	755	941	712	934	569	768	9,479	19,793	21,167	22,637
Vote 9 - WASTE MANAGEMENT		3,486	1,110	1,533	1,175	3,156	912	1,078	1,029	2,772	856	1,075	14,791	32,972	33,721	35,640
Vote 10 - ROADS TRANSPORT		525	525	525	525	525	525	525	525	525	525	525	575	6,350	4,383	4,456
Vote 11 - WATER		1,253	1,429	12,997	1,514	1,628	12,211	1,497	1,534	12,285	1,251	1,524	15,734	64,856	67,604	70,501
Vote 12 - ELECTRICTY		12,349	9,529	10,327	10,984	12,351	9,020	9,152	8,964	11,988	7,905	10,287	45,332	158,189	174,755	192,328
Vote 13 - OTHER		-	-	-	-	-	-	-	-	-	-	-	3	3	3	3
Vote 14 - HOUSING		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		63,434	18,611	33,588	22,619	58,677	27,785	20,073	16,729	57,142	18,966	18,816	115,638	472,077	505,282	545,258
<u>Expenditure by Vote to be appropriated</u>																
Vote 1 - EXECUTIVE AND COUNCIL		2,755	2,700	2,753	2,753	3,278	2,753	2,753	2,753	2,753	2,753	2,753	2,754	33,516	34,769	36,091
Vote 2 - FINANCE AND ADMINISTRATION		2,621	2,541	2,541	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544	19,832	47,888	48,809	51,438
Vote 3 - PLANNING AND DEVELOPMENT		770	662	662	662	662	947	947	947	947	947	947	978	10,079	11,226	11,792
Vote 4 - HEALTH		223	223	227	227	227	227	227	227	227	227	227	227	2,712	2,728	2,745
Vote 5 - COMMUNITY AND SOCIAL SERVICES		1,096	916	916	916	916	916	916	916	916	916	916	1,336	11,596	12,083	12,595
Vote 6 - PUBLIC SAFETY		1,786	1,786	1,798	1,798	1,798	1,798	1,798	1,798	1,798	1,798	1,798	1,964	21,721	22,520	23,397
Vote 7 - SPORT AND RECREATION		843	843	843	843	843	843	843	843	843	843	843	1,010	10,281	10,649	11,164
Vote 8 - WASTE WATER MANAGEMENT		1,018	1,018	1,039	1,039	1,039	1,039	1,039	1,039	1,039	1,039	1,039	9,652	21,041	22,244	23,519
Vote 9 - WASTE MANAGEMENT		1,667	1,667	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702	15,399	34,056	35,159	37,140
Vote 10 - ROADS TRANSPORT		1,236	1,236	1,236	1,236	1,236	1,236	1,236	1,236	1,236	1,236	1,236	1,242	14,836	14,545	15,067
Vote 11 - WATER		4,072	4,072	4,131	4,131	4,131	4,131	4,131	4,131	4,131	4,131	4,131	18,288	63,609	66,527	69,619
Vote 12 - ELECTRICTY		19,602	20,250	16,482	11,281	11,605	11,120	10,747	11,260	10,705	11,317	11,772	52,658	198,798	222,050	248,466
Vote 13 - OTHER		8	8	8	8	8	8	8	8	8	8	8	18	111	115	119
Vote 14 - HOUSING		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		37,697	37,922	34,339	29,141	29,990	29,266	28,893	29,406	28,851	29,463	29,918	125,357	470,243	503,424	543,151
Surplus/(Deficit) before assoc.		25,736	(19,311)	(751)	(6,522)	28,686	(1,481)	(8,820)	(12,677)	28,291	(10,497)	(11,102)	(9,719)	1,833	1,857	2,106
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	25,736	(19,311)	(751)	(6,522)	28,686	(1,481)	(8,820)	(12,677)	28,291	(10,497)	(11,102)	(9,719)	1,833	1,857	2,106

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EC134 Lukhanji - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand																
Revenue - Standard																
<i>Governance and administration</i>		43,987	3,763	5,379	6,175	36,641	3,182	5,699	2,785	27,457	6,679	3,456	22,244	167,446	180,616	196,269
Executive and council		38,309	0	0	0	31,448	0	0	0	22,985	0	0	348	93,094	101,316	111,625
Budget and treasury office		5,677	3,763	5,378	6,174	5,194	3,181	5,699	2,785	4,471	6,679	3,456	21,896	74,352	79,300	84,644
Corporate services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	7,341	18,841	18,606	18,798
Community and social services		127	127	127	127	127	127	127	127	127	127	127	3,558	4,952	5,112	5,280
Sport and recreation		42	42	42	42	42	42	42	42	42	42	42	57	516	238	238
Public safety		877	877	877	877	877	877	877	877	877	877	877	1,015	10,660	10,528	10,535
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	2,712	2,712	2,728	2,745
<i>Economic and environmental services</i>		660	660	660	660	2,660	660	660	660	660	660	660	714	9,977	8,810	9,083
Planning and development		135	135	135	135	2,135	135	135	135	135	135	135	139	3,627	4,427	4,627
Road transport		525	525	525	525	525	525	525	525	525	525	525	575	6,350	4,383	4,456
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		17,742	13,142	26,504	14,738	18,330	22,898	12,668	12,239	27,980	10,581	13,654	85,336	275,811	297,247	321,106
Electricity		12,349	9,529	10,327	10,984	12,351	9,020	9,152	8,964	11,988	7,905	10,287	45,332	158,189	174,755	192,328
Water		1,253	1,429	12,997	1,514	1,628	12,211	1,497	1,534	12,285	1,251	1,524	15,734	64,856	67,604	70,501
Waste water management		654	1,074	1,647	1,065	1,195	755	941	712	934	569	768	9,479	19,793	21,167	22,637
Waste management		3,486	1,110	1,533	1,175	3,156	912	1,078	1,029	2,772	856	1,075	14,791	32,972	33,721	35,640
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	3	3	3	3
Total Revenue - Standard		63,434	18,611	33,588	22,619	58,677	27,785	20,073	16,729	57,142	18,966	18,816	115,638	472,077	505,282	545,258
Expenditure - Standard																
<i>Governance and administration</i>		4,954	4,819	4,872	4,875	5,400	4,875	4,875	4,875	4,875	4,875	4,875	27,235	81,404	83,578	87,529
Executive and council		2,755	2,700	2,753	2,753	3,278	2,753	2,753	2,753	2,753	2,753	2,753	2,754	33,516	34,769	36,091
Budget and treasury office		1,642	1,670	1,670	1,673	1,673	1,673	1,673	1,673	1,673	1,673	1,673	24,032	42,400	43,095	45,487
Corporate services		556	448	448	448	448	448	448	448	448	448	448	449	5,488	5,714	5,951
<i>Community and public safety</i>		4,371	4,191	4,207	4,207	4,207	4,207	4,207	4,207	4,207	4,207	4,207	(112)	46,310	47,981	49,901
Community and social services		1,519	1,339	1,339	1,339	1,339	1,339	1,339	1,339	1,339	1,339	1,339	(3,313)	11,596	12,083	12,595
Sport and recreation		843	843	843	843	843	843	843	843	843	843	843	1,010	10,281	10,649	11,164
Public safety		1,786	1,786	1,798	1,798	1,798	1,798	1,798	1,798	1,798	1,798	1,798	1,964	21,721	22,520	23,397
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		223	223	227	227	227	227	227	227	227	227	227	227	2,712	2,728	2,745
<i>Economic and environmental services</i>		2,005	1,897	1,897	1,897	1,897	2,183	2,183	2,183	2,183	2,183	2,183	2,220	24,915	25,771	26,858
Planning and development		770	662	662	662	662	947	947	947	947	947	947	978	10,079	11,226	11,792
Road transport		1,236	1,236	1,236	1,236	1,236	1,236	1,236	1,236	1,236	1,236	1,236	1,242	14,836	14,545	15,067
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		26,359	27,007	23,355	18,153	18,478	17,993	17,620	18,133	17,577	18,190	18,644	95,996	317,504	345,980	378,744
Electricity		19,602	20,250	16,482	11,281	11,605	11,120	10,747	11,260	10,705	11,317	11,772	52,658	198,798	222,050	248,466
Water		4,072	4,072	4,131	4,131	4,131	4,131	4,131	4,131	4,131	4,131	4,131	18,288	63,609	66,527	69,619
Waste water management		1,018	1,018	1,039	1,039	1,039	1,039	1,039	1,039	1,039	1,039	1,039	9,652	21,041	22,244	23,519
Waste management		1,667	1,667	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702	15,399	34,056	35,159	37,140
<i>Other</i>		8	8	8	8	8	8	8	8	8	8	8	18	111	115	119
Total Expenditure - Standard		37,697	37,922	34,339	29,141	29,990	29,266	28,893	29,406	28,851	29,463	29,918	125,357	470,243	503,424	543,151
Surplus/(Deficit) before assoc.		25,736	(19,311)	(751)	(6,522)	28,686	(1,481)	(8,820)	(12,677)	28,291	(10,497)	(11,102)	(9,719)	1,833	1,857	2,106
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	25,736	(19,311)	(751)	(6,522)	28,686	(1,481)	(8,820)	(12,677)	28,291	(10,497)	(11,102)	(9,719)	1,833	1,857	2,106

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EC134 Lukhanji - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<i>Multi-year expenditure to be appropriated</i>	1															
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Single-year expenditure to be appropriated</i>																
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	229	229	229	229	229	229	229	1,606	1,694	1,792
Vote 2 - FINANCE AND ADMINISTRATION		-	-	-	12,500	-	-	-	-	-	-	-	-	12,500	5,000	5,000
Vote 3 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-	535	535	535	1,606	4,694	8,854
Vote 4 - HEALTH														-	-	-
Vote 5 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	159	159	159	159	1,459	1,459	1,459	5,011	7,520	7,840
Vote 6 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - SPORT AND RECREATION		-	-	-	-	-	-	-	-	-	1,606	1,606	1,606	4,818	5,083	-
Vote 8 - WASTE WATER MANAGEMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - ROADS TRANSPORT		-	868	868	2,257	2,257	3,047	3,047	3,047	3,047	3,047	3,047	3,047	27,576	24,736	26,652
Vote 11 - WATER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - ELECTRICITY		-	-	-	111	111	683	683	683	683	683	683	683	5,004	3,158	7,768
Vote 13 - OTHER														-	-	-
Vote 14 - HOUSING														-	-	-
Vote 15 -														-	-	-
Capital single-year expenditure sub-total	2	-	868	868	14,868	2,368	4,118	4,118	4,118	4,118	7,559	7,559	7,559	58,122	51,885	57,906
Total Capital Expenditure	2	-	868	868	14,868	2,368	4,118	4,118	4,118	4,118	7,559	7,559	7,559	58,122	51,885	57,906

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EC134 Lukhanji - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		-	-	-	12,500	-	229	229	229	229	229	229	229	14,106	6,694	6,792
Executive and council		-	-	-	-	-	229	229	229	229	229	229	229	1,606	1,694	1,792
Budget and treasury office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical Services		-	-	-	12,500	-	-	-	-	-	-	-	-	12,500	5,000	5,000
Corporate services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	159	159	159	159	3,065	3,065	3,065	9,830	12,603	7,840
Community and social services		-	-	-	-	-	159	159	159	159	159	159	159	1,111	4,000	4,000
Sport and recreation		-	-	-	-	-	-	-	-	-	1,606	1,606	1,606	4,818	5,083	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Civic Centres		-	-	-	-	-	-	-	-	-	1,300	1,300	1,300	3,900	3,520	3,840
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	868	868	2,257	2,257	3,047	3,047	3,047	3,047	3,582	3,582	3,582	29,182	29,431	35,506
Planning and development		-	-	-	-	-	-	-	-	-	535	535	535	1,606	4,694	8,854
Road transport		-	868	868	2,257	2,257	3,047	3,047	3,047	3,047	3,047	3,047	3,047	27,576	24,736	26,652
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	111	111	683	683	683	683	683	683	683	5,004	3,158	7,768
Electricity		-	-	-	111	111	683	683	683	683	683	683	683	5,004	3,158	7,768
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	2	-	868	868	14,868	2,368	4,118	4,118	4,118	4,118	7,559	7,559	7,559	58,122	51,885	57,906

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EC134 Lukhanji - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash Receipts By Source													1		
Property rates	3,260	4,847	5,580	3,440	2,686	5,144	2,301	3,007	6,186	2,957	2,314	7,336	49,059	52,984	57,223
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	9,501	10,298	10,952	9,857	8,992	9,122	8,937	10,110	7,878	10,259	9,906	44,015	149,827	166,325	183,824
Service charges - water revenue	1,408	2,060	1,460	1,603	1,287	1,457	1,519	1,346	1,233	1,504	1,399	11,426	27,701	29,618	31,668
Service charges - sanitation revenue	1,060	1,624	1,022	1,177	744	910	704	909	558	756	687	5,668	15,820	16,911	18,079
Service charges - refuse revenue	991	1,404	1,023	979	796	941	917	1,101	741	958	938	10,124	20,913	22,377	23,944
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	42	42	42	42	42	42	42	42	42	42	42	2,059	2,519	2,519	2,519
Interest earned - external investments	433	433	433	433	433	433	433	433	433	433	433	433	5,200	5,200	5,200
Interest earned - outstanding debtors	129	188	319	156	113	237	89	198	108	121	110	24,877	26,645	28,658	30,825
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	67	67	67	67	67	67	67	67	67	67	67	67	801	801	801
Licences and permits	351	351	351	351	351	351	351	351	351	351	351	351	4,208	4,208	4,208
Agency services	292	11,197	292	292	11,197	292	292	11,197	292	292	6,431	292	42,357	43,053	43,752
Transfer receipts - operational	237	237	237	39,441	237	237	237	27,539	237	237	237	47,241	116,354	122,532	133,041
Other revenue	840	840	840	840	840	840	840	840	840	840	840	1,428	10,673	10,095	10,175
Cash Receipts by Source	18,611	33,588	22,619	58,677	27,785	20,073	16,729	57,142	18,966	18,816	23,755	155,317	472,077	505,282	545,258
Total Cash Receipts by Source	18,611	33,588	22,619	58,677	27,785	20,073	16,729	57,142	18,966	18,816	23,755	155,317	472,077	505,282	545,258
Cash Payments by Type															
Employee related costs	9,851	9,851	9,851	9,851	10,376	9,851	9,851	9,851	9,851	9,851	9,851	10,571	119,454	125,127	131,080
Remuneration of councillors	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	16,732	17,444	18,191
Finance charges	-	-	-	-	-	-	-	-	-	-	-	88,847	88,847	96,296	104,386
Bulk purchases - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Water & Sewer	397	397	397	400	400	400	400	400	400	400	400	400	4,791	1,265	1,162
Other materials	17,894	18,650	14,679	9,477	9,802	9,317	8,944	9,457	8,901	9,514	9,968	15,258	141,860	160,977	182,676
Contracted services	-	-	-	-	-	-	-	-	-	-	-	12,792	12,792	12,949	13,113
Transfers and grants - other municipalities	210	210	210	210	210	210	210	210	210	210	210	34,556	36,862	38,557	40,337
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	4,300	4,300	5,170	5,450
Other expenditure	7,951	7,211	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	(38,955)	44,605	45,639	46,757
Cash Payments by Type	37,697	37,713	34,130	28,932	29,781	28,771	28,398	28,911	28,356	28,968	29,423	129,162	470,243	503,424	543,151
Total Cash Payments by Type	37,697	37,713	34,130	28,932	29,781	28,771	28,398	28,911	28,356	28,968	29,423	129,162	470,243	503,424	543,151
NET INCREASE/(DECREASE) IN CASH HELD	(19,087)	(4,125)	(11,512)	29,745	(1,996)	(8,699)	(11,669)	28,230	(9,390)	(10,152)	(5,668)	26,154	1,833	1,857	2,106
Cash/cash equivalents at the month/year begin:	194,018	174,932	170,807	159,295	189,040	187,044	178,346	166,677	194,907	185,517	175,365	169,697	194,018	195,851	197,709
Cash/cash equivalents at the month/year end:	174,932	170,807	159,295	189,040	187,044	178,346	166,677	194,907	185,517	175,365	169,697	195,851	195,851	197,709	199,815

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15 Measurable Performance Objectives (Revenue Source and Vote)

Provided in the following pages are summaries of annual measurable performance objectives for each vote. Also included is revenue by source and vote in Table 10. Annual performance objectives must be converted into quarterly targets for the Service Delivery and Budget Implementation Plan (SDBIP) and will be audited in terms of the annual performance report required by the Systems Act (refer also to chapters 2 and 5 of the annual report as per MFMA circular 11).

15.1 Table 10 – Revenues by Source and Vote

The following pages contain the listing of revenue by Source and Vote.

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Lukhanji Municipality - Table 10 Operating Revenue by Source & Vote 2012/13 Performance Objectives re MFMA 17 3 b

Source	Vote	Source	Votes	Description	Notes
Property Rates		49 059 115		10.4%	
	Finance		44 709 943	Assessment Rates	The two aspects to Assessment Rates include collection and expansion. Specific targets need to be set for collection in each ward and customer group. Expansion will include an increase in the actual rate of 10% and concluding the evaluation process in t
	Finance		4 349 171	Infrastructure Improvement Rate	This charge is a flat rate that is raised in areas where no valuation exists on properties. The increase in tariff is set at 10%. All the valuation of properties in the Lukhanji area needs to be undertaken in this financial year.
Electricity from Tariffs		149 826 772		31.7%	
	Electric Distribution		104 000	Availability Charges	The charge is levied when vacant land is sold but the owner did not connect to main services of the municipality. Encourage the owner to develop their properties and pay for actual usages.
	Electric Distribution		369 000	Electric Connection fees / other	This service fee is charged once off when new connection are done to properties. Payment is basic for the meter and cabling to main source.
	Electric Distribution		148 986 772	Electricity Tariffs	We do calculations of tariffs on consumption and growth as well as payment trends on the service. NER gives a guideline as to what % may be increased. Deloitte's were requested to do a full study and presentation on this tariff as it show a huge surplus a
	Electric Distribution		367 000	Electricity Reconnection / Tamper Fees	This is a charge that is payable when services to the property were disconnected due to non payment or a person has tampered with that service. Encourage to debtors to settle their accounts before hand.

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Water From Tariffs		27 700 958	5.9%	
Water Distribution	160 000	Availability Charges	The charge is levied when vacant land is sold but the owner did not connect to main services of the municipality. Encourage the owner to develop their properties and pay for actual usages.	
Water Distribution	160 000	Water Connection Fees	This service fee is charged once off when new connection are done to properties. Payment is basic for the meter and piping to main source.	
Water Distribution	27 380 958	Water Tariffs	The charge is for the usage of water. Different categories exist for the billing of this service. An 6% increase has been set to the service as the District Municipality is responsible for this function. No metering exist in Whittlesea and needs to be add	
Sanitation From Tariffs		15 820 308	3.4%	
Sewerage Disposal	168 000	Availability Charges	The charge is levied when vacant land is sold but the owner did not connect to main services of the municipality. Encourage the owner to develop their properties and pay for actual usages.	
Sewerage Disposal	1 800	Sewer Connection Fees	This service fee is charged once off when new connection are done to properties. Payment is basic for the meter and piping to main source.	
Sewerage Disposal	66 000	Septic Tanks	This service fee is charged when septic tanks need to be pumped out.	
Sewerage Disposal	15 584 508	Sewer Tariffs	The charge is applicable to properties that has sewer connections to their property. Different categories exist for the billing of this service. An increase of 8% has been set to the service as the District Municipality is responsible for this function. S	
Refuse from Tariffs		20 971 369	4.4%	
Solid Waste Disposal	58 000	Tipping Fees	This is a cost recovery charge only.	
Refuse Removal	20 913 369	Refuse Removal Fees	The charge is for the removal of refuse at properties. Different categories exist for the billing of this service depending on the number of removals. The tariff increase has been set at 7% due to the fact that the function is not breaking even.	

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Grants				
	116 354 000	24.6%		
	Allocations:	16 732 468	Equitable Share	This is covered by the Division of the Revenue Act. The municipality administers this grant to fund the supply of free basic services to the indigent and other target groups in accordance with the spirit of this grant.
	Council			
	Finance (rates)	3 713 443	Equitable Share	Conditional Grants are awarded to the municipality from the national and provincial government for specific purposes. The money must be spent as required by conditions set forth in the award.
	Electricity	7 394 672	Equitable Share	
	Refuse	6 161 093	Equitable Share	
	General	75 208 324	Equitable Share	
	Various Departments	2 300 000	Conditional Grants	
	Various Departments	4 844 000	Conditional Grants	Conditional Grants are awarded to the municipality from the national and provincial government for specific purposes. The money must be spent as required by conditions set forth in the award.
	Various Departments		Conditional Grants : Cash Carry Forwards	Conditional Grants are awarded to the municipality from the national and provincial government for specific purposes. The money must be spent as required by conditions set forth in the award.
Interest and Investment Income				
	5 200 000	1.1%		
	Finance	5 200 000	Interest on Bank Acct and Investments	This is for having positive funds available in the municipal bank account and the investment of surplus cash.
Rentals				
	2 518 907	0.5%		
	Technical Service: Admin.	2 600	Rental of Property	This is a commercial utilization of land held for strategic and administrative purposes.
	Sportfields	155 500	Rental of Property	This is a cost recovery charge for the utilization of sporting facilities by the community.
	Pound and Commonage	150	Rental of Property	This is properties that is owned by the municipality and rented at market related rates to the public.
	Housing: Estates	1 999 577	Rental of Property	
	Civic Centers : Estates	361 080	Rental of Property	This is civic centers that are rented out to the public for functions ect.

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Interest From Debtors		26 645 155	5.6%	
Finance	2 422 721	Interest on Rates	This is a punitive charge to encourage people to pay their outstanding debt on time.	
Finance	24 222 434	Interest on Service Charges	This is a punitive charge to encourage people to pay their outstanding debt on time.	
Fines		801 100	0.2%	
Libraries	900	Library Fines	Penalties for late returning of books	
Traffic Administration	800 000	Traffic Fines	These are penalties that are imposed for dangerous behaviour on the roads.	
Finance	200	Parking Fines	These are penalties that are imposed for the community not paying for the provision of parking bays.	
Licenses and Permits		4 207 500	0.9%	
Community Services: Admin.	7 500	Licenses: Trading	This is a fee charged to do business on the street in certain marked zones.	
Community Services: Admin.	4 200 000	Licenses: Drivers	Application for new drivers licences	
Income From Agency Services		42 356 622	9.0%	
Water Distribution	32 716 846	Contribution from Chris Hani	The municipality is doing the service on behalf of the District Municipality and the shortfall is to be funded by them.	
Traffic Administration	3 500 000	Motor Registration	This is a charge paid by the Eastern Cape Province for providing a service on behalf of the Department of Transport.	
Libraries	3 427 907	Allocation from Province	These are fees allocated to the municipality from the Eastern Cape Provincial Government to cover some cost of the municipality for the providing the service on their behalf.	
Health: Atteridgeville	2 711 869	Allocation from Province	These are fees allocated to the municipality from the Eastern Cape Provincial Government to cover some cost of the municipality for the providing the service on their behalf.	

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Other		10 614 767	2.2%	
Council	348 000	Community Levy	This is charged to all households to replace the levies usually charged for providing fire services and replacing Dog Tax fee.	
Council		Sale of Erven	From the sale of surplus municipal property for Building Maintenance	
Council	13 000	Other		
Estates: Administration	12 010	Other		
Technical Service: Admin.	61 200	Other		
Technical Service: Admin.	287 700	Building Plan Fees	This is a cost recovery charge only and will grow due to building activity.	
Streets	76 000	Connection Fees: Private Works	This is a cost recovery charge only for doing private works for the community.	
Infrastructure Develop. Unit	6 450 743	Project Fees	This is cost recovery charge for managing projects on behalf of other spheres of government.	
Finance	36 000	Commission on Stop orders		
Finance	13 200	Other	The are fees that are collected for the usage of parking bays in the town.	
Finance	40 000	Parking Meter Fees		
Sale of Refuse bags	90 930	Other		
Cemetery	430 000	Digging of Graves	This is a cost recovery charge for digging graves for the community.	
Cemetery	460 000	Burial Fees		
Cemetery	163 000	Plot Fees	This is a cost recovery charge for supplying plots to the community.	
Fire Brigade	1 500	Fees	This is a cost recovery charge for supplying the service outside the municipal area.	
Health		Patient Retain Card	Charge to have see doctor at clinic. Control.	
Libraries	34 660	Miscellaneous Fees		
Nature Reserve	60 000	Gate Fees	This is a cost recovery charge for entering the Game reserve.	
Parks and Recreation	16 500	Miscellaneous Fees		
Pound and Commonage	5 000	Grazing Fees	This is a cost recovery charge for feeding impounded animals at the pound.	
Pound and Commonage	675 000	Pound Fees	This is a cost recovery charge for keeping impounded animals at the pound.	
Pound and Commonage	516 000	Pound Sales	This charge is when impounded animals are sold on auction.	
Protective Services Control	131 124	WSSA contribution	This is a cost recovery charge for providing a 24hrs response centre to the community.	
Traffic Administration	375 000	Roadworthy Certificates	This is a cost recovery charge when people are testing their vehicles for roadworthiness.	
Traffic Administration	318 200	Miscellaneous Fees		
		472 076 573	472 076 573	100%

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16 Disclosure on Implementation of MFMA & Other Legislation

The MFMA (Municipal Finance Management Act) became effective July 1st of 2004. Most of the requirements of the act took effect immediately; however, various delays were given to certain sections of the act based on the 'capacity' of the municipality as was determined by National Treasury. All local municipalities were classified as either a high, medium or low capacity municipality with each level given different implementation dates for the various delayed sections.

Lukhanji is classified as a medium capacity municipality and was required to meet the implementation dates put forth for medium capacity municipalities.

A MFMA implementation plan was developed to assist the municipality in implementing the required changes by the deadlines given. With only a few exceptions all sections of the MFMA were required to be implemented by Lukhanji by July 1st of 2006.

Many of the major changes required by the act have already been implemented by the municipality. Some of these include adoption and implementation of a new supply chain policy and establishment of a supply chain unit, the establishment of a budget and treasury office within the finance directorate, the adoption of various policies and procedures including policies for cash and investments, delegations within the organization, establishment of a new audit committee, policy on unforeseen and unexpected expenditures and other administrative requirements.

The budget and how it must be designed, funded and reported on is a very big part of MFMA implementation. Requirements include funding the budget only from realistic revenue, surplus cash or borrowing (but only for capital projects). The budget must also be prepared and tabled to council much earlier than was previously required (by March 31st) and must be voted on in its final form before the end of May.

Much of the implementation of the MFMA involves new and sometimes complex budgetary and financial reporting requirements. Detailed monthly budgetary reports must be delivered to the Mayor along with quarterly performance indicators. The Mayor is required to make quarterly reports to the council on all aspects of the budgets implementation and any problems that need to be addressed. A mid year performance report is to be delivered to council along with recommendations on needed mid year adjustments that need to be made. Annual, quarterly and monthly reports are required to be delivered to National Treasury in very specific formats. All of these reporting requirements are already being met.

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17 Budgets and SDBIPs – Departmental / Functional (internal)

A summary of each functional SDBIP within each directorate is provided in the following pages showing the information set out in MFMA Circular 13 under the section “Format of Departmental SDBIPs”:

- Purpose (outcomes);
- Service delivery description (outputs);
- Resources utilised (inputs);
- Inputs to detailed sector capital plans; and
- The link between performance measures in the SDBIP and performance contracts.

The summary of the Directorate SDBIP contain in the following pages gives performance targets and indicators for the 2012/13 year.

These are based on the draft SDBIP.

TO BE INCLUDED IN FINAL BUDGET

18 Budgets and SDBIPs - Entities & Other External Mechanisms

The municipality has no entities.

19 Summary of Detailed Capital Plans

Detailed capital plans, aligned to national and provincial sector plans, will be contained in the SDBIP as per MFMA Circular No 13. These should be summarised and referenced here. The detailed plans must be submitted to National Treasury with the budget documentation. Capital programmes should be approved as an overall comprehensive capital budget to ensure that projects can be executed in terms of the implementation plans. The summary of the detailed capital plan should reflect:

- *Information by programme and municipal ward*
- *The source of the funding for the capital programme*

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- 19.2 – Table SA 34a - Capital expenditure by asset category**
Table SA 35 - Future financial implications of capital budget

The following pages contain the listing of capital by category.

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EC134 Lukhanji - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		–	194,302	211,511	31,531	33,219	33,219	35,792	31,282	38,004
Infrastructure - Road transport		–	102,213	119,096	17,342	22,193	22,193	27,576	24,736	26,652
<i>Roads, Pavements & Bridges</i>			102,213	119,096	17,342	15,537	15,537	27,576	24,736	26,652
<i>Storm water</i>						6,657	6,657			
Infrastructure - Electricity		–	83,849	84,212	11,206	8,990	8,990	5,004	3,158	7,768
<i>Generation</i>			83,849	84,212						
<i>Transmission & Reticulation</i>					11,206	8,990	8,990	1,000		
<i>Street Lighting</i>								4,004	3,158	7,768
Infrastructure - Water		–	–	–	690	–	–	–	–	–
<i>Dams & Reservoirs</i>										
<i>Water purification</i>										
<i>Reticulation</i>					690	–				
Infrastructure - Sanitation		–	–	–	4	–	–	–	–	–
<i>Reticulation</i>					4	–				
<i>Sewerage purification</i>										
Infrastructure - Other		–	8,240	8,203	2,288	2,036	2,036	3,212	3,389	3,584
<i>Waste Management</i>					544	554	554			
<i>Transportation</i>	2									
<i>Gas</i>										
<i>Other</i>	3		8,240	8,203	1,744	1,482	1,482	3,212	3,389	3,584
Community		–	–	–	5,724	550	550	9,830	12,603	7,840
Parks & gardens								4,818	5,083	
Sportsfields & stadia										
Swimming pools										
Community halls					3,604	–	–	3,900	3,520	3,840
Libraries					78	–	–			
Recreational facilities					371	550	550			
Fire, safety & emergency					200	–	–			
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries					1,279	–	–	1,111	4,000	4,000
Social rental housing	8									
Other					192	–	–			

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EC134 Lukhanji - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1									
Heritage assets	9	-	-	-	-	-	-	-	-	-
Buildings										
Other										
Investment properties	10	-	91,284	91,284	-	-	-	-	-	-
Housing development			91,284	91,284						
Other										
Other assets	10	207,296	504,109	499,200	4,197	3,211	3,211	12,500	8,000	12,062
General vehicles								2,500	2,500	2,500
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment								10,000	2,500	2,500
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings					2,821	1,887	1,887		3,000	7,062
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		207,296	504,109	499,200	1,376	1,324	1,324			
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	8	-	-	-	-	-	-
Computers - software & programming				8						
Other (list sub-class)										
Total Capital Expenditure on new assets	1	207,296	789,694	802,003	41,452	36,980	36,980	58,122	51,885	57,906
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										

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EC134 Lukhanji - Supporting Table SA35 Future financial implications of the capital budget

Vote Description R thousand	Ref	2012/13 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Present value
Capital expenditure	1							
Vote 1 - EXECUTIVE AND COUNCIL		1,606	1,694	1,792				
Vote 2 - FINANCE AND ADMINISTRATION		12,500	5,000	5,000				
Vote 3 - PLANNING AND DEVELOPMENT		1,606	4,694	8,854				
Vote 4 - HEALTH		—	—	—				
Vote 5 - COMMUNITY AND SOCIAL SERVICES		5,011	7,520	7,840				
Vote 6 - PUBLIC SAFETY		—	—	—				
Vote 7 - SPORT AND RECREATION		4,818	5,083	—				
Vote 8 - WASTE WATER MANAGEMENT		—	—	—				
Vote 9 - WASTE MANAGEMENT		—	—	—				
Vote 10 - ROADS TRANSPORT		27,576	24,736	26,652				
Vote 11 - WATER		—	—	—				
Vote 12 - ELECTRICITY		5,004	3,158	7,768				
Vote 13 - OTHER		—	—	—				
Vote 14 - HOUSING		—	—	—				
Vote 15 -		—	—	—				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		58,122	51,885	57,906	—	—	—	—
Future operational costs by vote	2							
Vote 1 - EXECUTIVE AND COUNCIL								
Vote 2 - FINANCE AND ADMINISTRATION								
Vote 3 - PLANNING AND DEVELOPMENT								
Vote 4 - HEALTH								
Vote 5 - COMMUNITY AND SOCIAL SERVICES								
Vote 6 - PUBLIC SAFETY								
Vote 7 - SPORT AND RECREATION								
Vote 8 - WASTE WATER MANAGEMENT								
Vote 9 - WASTE MANAGEMENT								
Vote 10 - ROADS TRANSPORT								
Vote 11 - WATER								
Vote 12 - ELECTRICITY								
Vote 13 - OTHER								
Vote 14 - HOUSING								
Vote 15 -								
<i>List entity summary if applicable</i>								
Total future operational costs		—	—	—	—	—	—	—
Future revenue by source	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		—	—	—	—	—	—	—
Net Financial Implications		58,122	51,885	57,906	—	—	—	—

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EC134 Lukhanji - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2010/11	Current Year 2011/12 Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Ward location	New or renewal
R thousand	4				6	3	3	5								
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>																
Vote 12 - ELECTRICITY		Returbishment of MV Switchgear				Infrastructure - Electricity	Generation					1,000			All	
Vote 2 - FINANCE AND ADMINISTRATION		Replacement of Plant				Other Assets	Plant & equipment					10,000	2,500	2,500	All	
Vote 2 - FINANCE AND ADMINISTRATION		Implement Fleet Replacement Program				Other Assets	General vehicles					2,500	2,500	2,500	All	
Vote 10 - ROADS TRANSPORT		Upgrade Lukhanji Roads				Infrastructure - Road transport	Roads, Pavements & Bridges					12,500	10,000	10,000	All	
Vote 10 - ROADS TRANSPORT		Lukhanji Upgrading Gravel Roads & Stormwater				Infrastructure - Road transport	Roads, Pavements & Bridges					9,550	10,000	5,000	All	
Vote 1 - EXECUTIVE AND COUNCIL		LED Facilities				Infrastructure - Other	Other					1,606	1,694	1,792	Various Wards	
Vote 10 - ROADS TRANSPORT		Lukhanji Stormwater Upgrade				Infrastructure - Road transport	Storm water					1,362			9,10	
Vote 10 - ROADS TRANSPORT		Qwabi Bridge over Kuzilungu River				Infrastructure - Road transport	Roads, Pavements & Bridges					160				14
Vote 10 - ROADS TRANSPORT		Surfacing of Gravel roads in Ezibeleni, Mlungisi, Ilinge, Ekuphumleni/Sada				Infrastructure - Road transport	Roads, Pavements & Bridges					4,004	3,158	7,768	1,2,16,19-25	
Vote 10 - ROADS TRANSPORT		Upgrading & Rehabilitation of Lukhanji Stormwater Phase 2				Infrastructure - Road transport	Roads, Pavements & Bridges						1,579	3,884	All	
Vote 5 - COMMUNITY AND SOCIAL SERVICES		New Cemetery - Lesseyton				Community	Cemeteries							4,000		27
Vote 5 - COMMUNITY AND SOCIAL SERVICES		New Cemetery - Ilinge				Community	Cemeteries						4,000		1-2	
Vote 5 - COMMUNITY AND SOCIAL SERVICES		New Cemetery - Whittlesea				Community	Cemeteries					1,111			5,9,10,16,17	
Vote 12 - ELECTRICITY		Community Lighting in Sabata, Ezibeleni, Ilinge, Nomzamo and Whittlesea				Infrastructure - Electricity	Street Lighting					4,004	3,158	7,768	Various Wards	
Vote 5 - COMMUNITY AND SOCIAL SERVICES		Community Hall				Community	Community halls					3,200	3,520	3,840		01-Jan
Vote 5 - COMMUNITY AND SOCIAL SERVICES		Upper Machibini Community Hall				Community	Community halls					315				3
Vote 5 - COMMUNITY AND SOCIAL SERVICES		Lower Machibini Community Hall				Community	Community halls					385				3
Vote 7 - SPORT AND RECREATION		Sada Stadium				Community	Sportsfields & stadia						1,694		9,10,17	
Vote 7 - SPORT AND RECREATION		Ilinge Stadium				Community	Sportsfields & stadia						3,389		1-2	
Vote 7 - SPORT AND RECREATION		Ezibeleni Stadium				Community	Sportsfields & stadia					1,686			4,6,7,8,15	
Vote 7 - SPORT AND RECREATION		Recreational Facilities - Dumpy Adams Sportfields				Community	Sportsfields & stadia					3,132			19-25	
Vote 3 - PLANNING AND DEVELOPMENT		Implement NDP Approved Projects				Infrastructure - Other	Other						3,000	7,062	All	
Vote 3 - PLANNING AND DEVELOPMENT		PMU Fees				Infrastructure - Road transport	Other					1,606	1,694	1,792	All	
Parent Capital expenditure	1											58,122	51,885	57,906		
Total Capital expenditure										-	-	58,122	51,885	57,906		

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					GRANT / OTHER FUNDING FOR CAPITAL PROJECTS 2012/13 BY SOURCE					
WARD(s) EFFECTED	Function	Sub Function	Directorate	Department	DESCRIPTION OF PROJECT	New - N Existing - E	Original Revenue Budget 2012/13	Original BUDGET EXPEND. 2012/2013	PROJECTED EXPEND. BUDGET 2013/2014	PROJECTED EXPEND. BUDGET 2014/2015
					FUNDING FROM SOURCES:					
					Own Funds					
All	2	5	TS	1130-06	Refurbishment of MV Switchgear	N	1,000,000	1,000,000		
All	2	5	TS	1130-22	Replacement of Plant	N	10,000,000	10,000,000	2,500,000	2,500,000
All	2	5	TS	1130-22	Implement Fleet Replacement Program	N	2,500,000	2,500,000	2,500,000	2,500,000
All	2	5	TS	1130-20	Upgrade Lukhanji Roads	N	12,500,000	12,500,000	10,000,000	10,000,000
					Grand Total Own Funds		26,000,000	26,000,000	15,000,000	15,000,000
					From National Government:					
					Municipal Infrastructure Grant (MIG):					
All	12	1	TS	1130-20	Lukhanji Upgrading Gravel Roads & Stormwater		9,550,000	9,550,000	10,000,000	5,000,000
Various Wards		1	MM	1105-00	LED Facilities		1,606,100	1,606,100	1,694,250	1,792,200
9,10	12	1	TS	1130-20	Lukhanji Stormwater Upgrade		1,362,367	1,362,367		
14	12	1	TS	1130-20	Qwabi Bridge over Kuzitungu River		160,000	160,000		
1,2,16,19-25	12	1	TS	1130-20	Surfacing of Gravel roads in Ezibeleni, Mlungisi, Ilinge, Ekuphumleni/Sada		4,003,885	4,003,885	3,157,500	7,767,840
All	12	1	TS	1130-20	Upgrading & Rehabilitation of Lukhanji Stormwater Phase 2				1,578,750	3,883,920
27	5	4	CS	1125-02	New Cemetry - Lesseyton					4,000,000
1-2	5	4	CS	1125-02	New Cemetry - Ilinge				4,000,000	
9,10,16,5,17	5	4	CS	1125-02	New Cemetry - Whittlesea		1,111,363	1,111,363		
Various Wards	14	1	TS	1130-06	Community Lighting in Sabata, Ezibeleni, Ilinge, Nomzamo and Whittlesea		4,003,885	4,003,885	3,157,500	7,767,840
1	5	3	HS	1160-20	Community Hall		3,200,000	3,200,000	3,520,000	3,840,000
3	5	3	HS	1160-20	Upper Machibini Community Hall		315,000	315,000		
3	5	3	HS	1160-20	Lower Machibini Community Hall		385,000	385,000		
9,10,17	8	1	CS	1125-60	Sada Stadium				1,694,250	
1-2	8	1	CS	1125-60	Ilinge Stadium				3,388,500	
4,6,7,8,15	8	1	CS	1125-60	Ezibeleni Stadium		1,686,480	1,686,480		
19-25	8	1	CS	1125-60	Recreational Facilities - Dumpy Adams Sportfields		3,131,820	3,131,820		
All	3	1	TS	1130-10	PMU Fees		1,606,100	1,606,100	1,694,250	1,792,200
					Total MIG		32,122,000	32,122,000	33,885,000	35,844,000
					Neighbourhood Development Partnership Grant					
All	3	1	TS	1130-10	Implement NDP Approved Projects	N		-	3,000,000	7,062,000
					Total Neighbourhood Development Partnership Grant		0	0	3,000,000	7,062,000
					Total National Government		32,122,000	32,122,000	36,885,000	42,906,000
					GRAND TOTAL NEW AND EXISTING CAPITAL GRANTS		58,122,000	58,122,000	51,885,000	57,906,000